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THE SENATE OF CANADA



Report of the Special Committee Appointed to Investigate the Cancellation of Leases to certain Coal Areas in the Province of Alberta, standing in the name of Paul R. Isenberg, together with the Evidence received by the Committee.

The Honourable G. H. BRADBURY, Chairman

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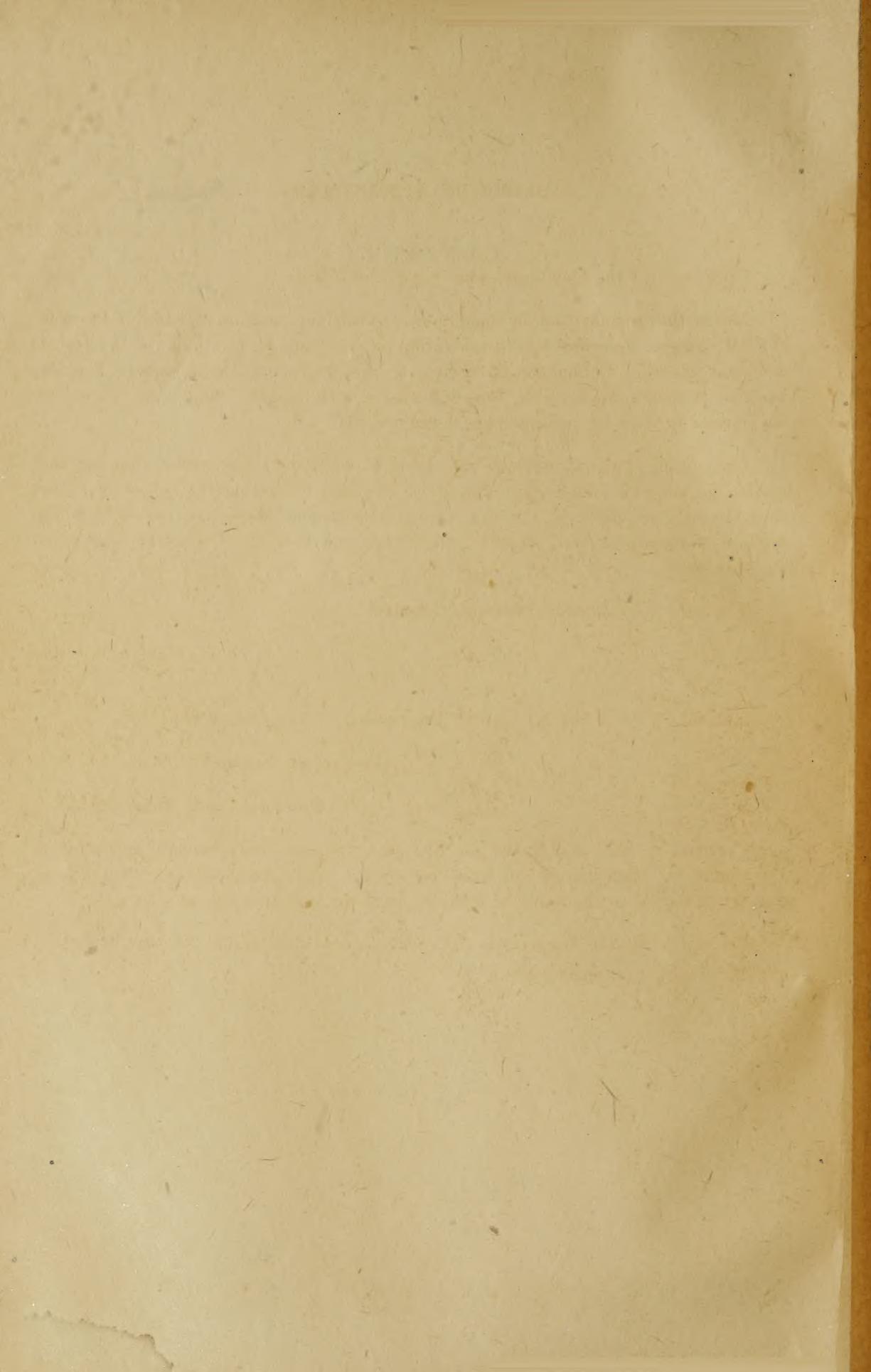
J. DE LABROQUERIE TACHÉ,
PRINTER TO THE KING'S MOST EXCELLENT MAJESTY

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ORDER OF APPOINTMENT.

26th June, 1919.

On motion of the Honourable Mr. Bradbury, it was

Moved that a committee be appointed to investigate the cancellation of the lease of Coal Areas as described in the report laid on the Table by the leader of the House, and that the said Committee be composed of the Honourable Messieurs Bostock, Watson, Michener, Willoughby, Ross (Middleton), McLennan, Béique and the mover, with power to send for persons, papers and records.

On motion of the Honourable Sir James Lougheed, it was moved that the said motion be not now adopted but that it be amended by adding the following names as additional members of the Committee: Honourable Messieurs Barnard, Blain, Bennett, Casgrain, Foster, Tessier and White, and that the Committee report on Tuesday next.

The motion, as amended, was then adopted.

EXTRACT from the Minutes of Proceedings of the Committee.

"COMMITTEE ROOM No. 70,

Thursday, 26th June, 1919.

Pursuant to Rule and Notice the Special Committee of the Senate appointed to investigate the cancellation of leases to certain Coal Areas in the Province of Alberta, standing in the name of Paul R. Isenberg, met this day at 5.30 p.m.

On motion of the Honourable Mr. Watson, the Honourable Mr. Bradbury was elected Chairman, and took the Chair."

REPORT.

THE SENATE,

COMMITTEE ROOM No. 70,

THURSDAY, 3rd July, 1919.

The Special Committee appointed to investigate the cancellation of leases to certain coal areas in the Province of Alberta, standing in the name of Paul R. Isenberg, and the re-issue of the same and the recording of the leases in the names of Colonel A. T. Shillington and C. A. Barnard, beg leave to make their Third Report as follows:

Your Committee find that the question necessarily involved two phases of inquiry. First, as to the circumstances in connection with the cancellation of the coal mining leases standing in the name of Paul R. Isenberg, being leases Nos. 760, 761, 762, 763, 764, 765, 766 and 782, on which mines are situated at or near Smoky and Muskeg Rivers, Alberta. Second, as to the regularity of the new leases granted to eight applicants for the same ground covered by the former leases and subsequently assigned to Dr. A. T. Shillington and C. A. Barnard. At the meeting of the Committee on the 1st instant, it was made known to the Committee that the Minister of the Interior had cancelled the leases issued to the said Dr. Shillington and C. A. Barnard since the inquiry began. In view of the cancellation it becomes unnecessary to deal at the same length with the new leases, as might otherwise have been desirable.

The following witnesses were called and appeared before the Committee, namely:—

H. H. Rowatt, Controller of Mining Lands and Yukon Branch, Department of the Interior.

D. B. Dowling, Geologist, Geological Survey, Department of Mines.

W. W. Cory, C.M.G., Deputy Minister, Department of the Interior.

N. G. Guthrie, barrister-at-law, Ottawa, Ontario.

S. J. Robins, Montreal, Quebec.

A. J. Cawdron, Acting Chief Commissioner of Police.

C. A. Barnard, K.C., Montreal, Quebec.

Dr. A. T. Shillington, Ottawa.

A. E. Bradbury, broker, Ottawa.

James White, Deputy Head and Assistant to the Chairman, Conservation Commission.

William MacInnes, Directing Geologist, Geological Survey, Department of Mines.

George H. Craig, Clerk in Surveyor General's Branch, Department of the Interior.

Charles F. Spence, Assistant Controller, Mining Lands and Yukon Branch, Department of the Interior.

Roy A. Gibson, Chief Clerk, Deputy Minister's Office, Department of the Interior.

S. M. Genest, Chief Draughtsman, Mining Lands and Yukon Branch, Department of the Interior.

J. G. Mitchell, Private Secretary to the Minister of the Interior.

Thomas Mulvey, Under-Secretary of State, Ottawa.

Peter A. Robb, Edson, Alberta, rancher.

Evidence was given by the said witnesses in connection with the method of cancellation of leases and of issuing new leases, and the relation of the different branches

of the Department to each other, and in view of the evidence given your Committee desire to make later on certain recommendations.

It would appear from the evidence that the leases held in the name of Paul R. Isenberg, and known as the Hoppe leases, were cancelled in accordance with the regulations, and that none of the higher officers of the Department were in any way aware of a desire of any person to take advantage of such cancellation. Isenberg had made default and within the regulations his leases were liable to cancellation, although he had paid a large rental. The eight leases covered an area of 18,875·15 acres, and the deposit of coal on the lands appears, from the evidence, to be extremely large and valuable. An estimate is that at least two hundred million tons seemed to be available.

Evidence from the officers of the Geological Survey confirm a report made by a mining engineer for Dr. Hoppe that this area contains several seams, either of semi-anthracite or of the highest grade of bituminous coal. Dr. Dowling of the Geological Survey testified that the only coal in the same class was that at Canmore, and that was not obtainable in as fine marketable condition as would be the coal from these seams when worked. The evidence seems to point to the fact that the coal lies at an easily worked angle, that the roof and floor are strong and that a very considerable portion of these seams lie above high water level and coal could be obtained without the necessity of pumping, a very important element in the cost of mining. (For analysis see Geological Survey Report 1916, p. 92.)

The working of the claims would involve the building of a railway for a distance of approximately 70 miles from the Canadian National Railway. It was testified that Dr. Hoppe or his associates had paid rental for these amounting in the aggregate to \$114,359.91. In addition there is evidence to show that in building trails, in re-surveying, in opening tunnels to prove the value of the deposit, a very considerable amount of money had been expended on the property. The mining regulations provide for the forfeiture of leases after thirty days default in payment of annual rental. That default occurred.

It was explained to your Committee that the reason for the prompt action was information given to the Department by the head of the Dominion Police that Dr. Hoppe and his principal were strongly pro-German in their sympathies and associates.

At this stage the Committee draws attention to the following facts:—

That there was no co-operation between the Geological Survey Branch of the Mines Department, with the Mining Lands Branch of the Interior Department; That a reconnaissance survey of this district had been made, results of which were printed in the Geological Survey Report for 1916, and it had not been brought to the attention of the Mining Leases Branch of the Interior Department—indeed the Deputy Minister of the Department stated that it has not been customary for his Department to inquire into the value of the properties open for lease.

The impression conveyed to the Committee was that technical compliance with the Regulations of the Department was all with which its officials were concerned.

A clerk in the Department of the Interior, one Mr. S. J. Robins, Private Secretary to the Superintendent General of Indian Affairs and Assistant to the Secretary of the Minister of the Interior, whose resignation was accepted in March, 1919, as your Committee believe was engaged in furnishing information to parties outside the Department, by which these persons became aware of the intention of the Department to cancel these leases, enabling them to arrange to make preparations for restaking and applying for new leases.

As regards Mr. Robins, the Committee believe that for some months prior to the cancellation of the Isenberg leases, that he was endeavouring to negotiate on the outside for the exploitation of the mining areas as soon as the leases were cancelled. In the month of January, 1918, Mr. Robins asked Mr. Rowatt, Controller of Mining Lands and Yukon Branch, for a memorandum giving information as to the Isenberg

leases, and this memorandum dated 12th January, 1918, was furnished by Mr. Rowatt, and was placed before the Committee. From Mr. Rowatt's evidence it appeared that the information that he furnished in the memorandum was in his opinion for the use of the Minister only, and that had he thought it was required for any other purpose or for the use of anybody outside the Department he would not have furnished the same. Mr. Rowatt in furnishing this memorandum on the request of the Minister's Assistant Secretary would be but complying with the ordinary practice in the Departments.

The leases were cancelled on the First day of August, 1918. Mr. Robins applied for his holidays towards the end of July, 1918, and holidays were granted to him during the month of August. He was entitled to three weeks. According to the evidence, Mr. Robins went on the same train to Edmonton with George H. Craig, who is a Clerk in the Topographical Survey Branch of the Interior Department. Mr. Craig is, according to the evidence, a half brother of Dr. A. T. Shillington. Mr. Craig applied for a leave of absence for the month of August, 1918, and he was allowed leave for the month of August without salary. Mr. Craig's evidence was that he was instructed by Dr. Shillington to go to Edmonton and thence to the mining areas and re-stake the same for new entries. Mr. Craig had in his possession, as we believe, a full description of the areas covered by the Isenberg leases.

In view of the evidence your Committee feel that Mr. Craig had previous knowledge which enabled him to make first entry on the areas in question.

Notwithstanding the cancellation of the leases issued as a result of the staking done by Craig and his associates, your Committee respectfully suggest that the Minister of the Interior, be requested to make a full investigation of the facts in connection with the granting of the new leases and that the applicants be examined and that the evidence be taken as to the posting of the notices of cancellation of the Isenberg leases in the Mining Recorder's Office at Edmonton. The new lessees, as before stated, are Dr. A. T. Shillington and C. A. Barnard, Montreal, who took by assignment from the locators. Both these gentlemen gave evidence before your Committee. The evidence of Mr. Barnard, which your Committee accepts unreservedly, is to the effect that he was approached by Dr. Shillington, who had previously called on him with a letter of introduction, and invited him to join him in the enterprise, and that he (Mr. Barnard), took a half interest in the leases and advanced all the cash necessary to pay the first year's rental, amounting to about \$18,000. He testified that he had no information or suspicion as to anything improper in connection with the issue of the leases, nor has your Committee any reason to think otherwise.

Your Committee recommend:—

1. That as far as practicable the same principle be adopted with leases for coal areas as is now adopted with timber limits, namely: investigation of the value of the area before disposition, the fixing of an upset price, the giving of ample notice, and an equal chance to all parties to bid; and
2. That steps should be taken to safeguard departmental information so that those who came into possession of it through their official positions and disclose it would suffer adequate penalties for this breach of trust.

It seems a matter of common knowledge that there is dissatisfaction in outlying districts with the granting of leases, based on the belief that parties at Ottawa have means of obtaining prior information.

Your Committee submit herewith the evidence of the witnesses examined by your Committee.

All which is respectfully submitted.

G. H. BRADBURY,
Chairman.

MINUTES OF EVIDENCE.

THE SENATE,

THURSDAY, June 26, 1919.

H. H. ROWATT, Controller of Mining Lands, and Yukon Branch, Department of the Interior, appeared as a witness, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. Mr. Rowatt, how long have you been in the Service?—A. Thirty-two years.

Q. You are chief of what branch?—A. Of the Mining Lands and Yukon Branch.

Q. All coal leases come under your branch, do they?—A. All coal leases on Dominion lands, yes.

Q. Directly under you?—A. Directly, subject to instructions from the Minister and the Deputy Minister.

Q. But nothing can go through the Department without your knowledge?—A. No coal-mining leases could be issued without my knowledge.

By Hon. Mr. Bostock:

Q. Mr. Rowatt, you have probably seen the remarks which I made in the Senate the other day in regard to certain coal leases?—A. Yes, Senator, I saw them.

Q. In answer to those remarks, Sir Jaames Lougheed brought down a statement which was read to the members of the Senate. In that statement it was said that certain leases had been granted in 1912 to a Dr. Hoppe, and those leases came to an end, some in May and some on the 22nd of June, 1918. According to that memorandum a communication was received from J. R. Galt, Vice President of the Hawaiian Trust Company of Honolulu, in which he said the lessee, Paul R. Isenberg was born in that country and was therefore an American citizen; and asking on behalf of his client that the payment of the annual rentals might be postponed during the war? —A. Yes.

Q. In answering that communication was the answer sent to Honolulu?—A. Sent to Mr. Galt, the writer.

Q. At Honolulu?—A. I feel convinced it was, but I will be sure. The reply was sent on the 20th of March, 1918, to J. R. Galt, Vice President of the Hawaiian Trust Company, Honolulu.

Q. Have you got the letter?—A. Yes.

Q. You might read it?—A. "I beg to acknowledge the receipt of your letter of the 20th ultimo, having reference to eleven coal mining leases issued in May and June, 1912, comprising locations situated near the junction of the Muskeg and Smoky Rivers in the province of Alberta, which leases were subsequently assigned to Paul R. Isenberg.

The rental of these locations has been paid up to May and June next, on which dates the rental for next year, amounting in all to \$18,880 will become due.

You state that Mr. Isenberg, in whose name these leases stand recorded, is in poor health, and that owing to this and the present war situation, you ask whether it would be possible to make an arrangement whereby the continued payment of the annual rental could be postponed during the period of the war, without the lessee losing the rights which he has acquired under the above leases.

In reply I beg to express regret that under the provisions of the regulations, the Department has no authority to postpone payment of the annual rental of the locations in question during the period of the war.

Your obedient servant,

H. H. ROWATT,
Controller.

By Hon. Mr. McLennan:

Q. Was any reply received to that letter from Mr. Galt?—A. I have no reply received from Mr. Galt. None was received by me.

By Hon. Mr. Blain:

Q. Perhaps you would read the first letter to the department?—A. The letter to which I wrote the reply is dated the 20th of February, 1918, and is as follows:—

“*Re Hoppe Coal Lands on the Little Smoky River, Alberta Province, Canada.*”

“ You wrote H. Hackfield & Company, Limited, San Francisco, in regard to the above on July 13, 1917, per your file No. 80798, M, L and Y.

“ Paul R. Isenberg, in whose name the leases of said lands stand, was born and brought up in this country, and is an American citizen, and a client of our company.

“ In your letter above mentioned you referred to these coal mining leases as No. 760, 761, 762, 763, 764, 765, 766, and 781, comprising an area of about 29½ square miles of coal mining rights, situated as above described.

“ The annual rental in said leases is \$18,800.

“ At the present time Mr. Isenberg is in poor health, and owing to this and the present war situation, has requested us to communicate with you in order to ascertain whether it would be possible to make an arrangement whereby the continued payment of annual rental could be postponed during the period of the war, without his losing the rights outlined in said coal mining leases.

“ An early answer will be appreciated.

Yours very truly,

“**HAWAIIAN TRUST COMPANY, LIMITED.**

“*J. R. GALT, Vice-President.*”

By Hon. Mr. Michener:

Q. Was that letter referred to the minister or the deputy by yourself?—A. It was not referred to anybody by myself. I answered it, following the uniform custom of the department.

By Hon. Mr. Tessier:

Q. Do you never give an extension of time?—A. Not an indefinite extension of time during the period of the war in no case.

By Hon. Mr. McLennan:

Q. And there has been no answer from Mr. Galt or anybody else?—A. There has been no answer from Mr. Galt. There was one communication, I think, received subsequently from Dr. Hoppe himself.

By Hon. Mr. White:

Q. What is the date of that?—A. We have the letter from Dr. Hoppe; it is of a much more recent date.

By the Chairman:

Q. Have you any evidence that your letter ever reached these people? Was it a registered letter?—A. I think there is evidence on the file to show that it arrived

at its destination. Dr. Hoppe's letter in itself is evidence that it was received. It is dated the 16th of August, 1918.

By Hon. Mr. Michener:

Q. Would you read that?—A. It is addressed to myself and is as follows:—

"The copy of the letter (File No. 80798, M. L. and Y. Branch) written by the Department of the Interior to and in answer to a letter from Mr. Galt, of Honolulu, was a great surprise to me. As you know, I have from the start managed the full proceedings of this proposition under full power of attorney, and I cannot see just what Mr. Galt's position can be as his name does not appear in this matter at all.

"As a matter of principle, I do not like to expose any of my business associates, but I fully believe I have been very wrongly treated by my associates in Hawaii; they are millionaires and can afford to plunge and gamble, even if it involves a few hundred thousand dollars, but I would like the opportunity to bring to a success this undertaking and to carry out to completion the plans and work already accomplished by me, and to the satisfaction of the Canadian Government, and it is for this purpose I pray the Government kindly to reconsider allowing me the privilege of re-entry of said leases for sixty days or more, as I asked for in my telegram of August 14, 1918, believing that I will be able to save and make a success of the privileges already given by the Government if this indulgence should be granted me, unhampered by the past associates, who now signify their willingness to relinquish their claims.

"I lay this matter openly and fully before you only to convince you of my great desire to protect my rights and interests and in self-defence, should the Canadian Government find it within their power to be lenient with me. I am enclosing a copy of contract (Exhibit No. 1) signed by all concerned but myself—this I refused to do owing to the ambiguity in the last two paragraphs. Exhibit No. 2 was the contract with corrected paragraphs inserted, in which I refused to assume unknown liabilities, and willing to fulfil only obligations of which I was informed.

"J. Alyward and D. Pringle were two locators who went in with me under my expense. They have never paid any money nor contributed any time, money or interest, with the exception of locating. However, they were not completely discharged, and there is a question whether they were entitled to any claim. However, if it was proven they had claims, I was willing to sign the contract subject to those two possible claimants, and unwilling to be responsible to any unknown claimants. This correction was objected to by the Hawaiian interests, and they refused to sign the contract and refused to pay the expenses, and now I find they have relinquished their interests by non-payment of rental and signified their voluntary willingness to drop their interest, including the \$35,000 they acknowledged as owing to me in their signed contract. They are all millionaires and have many other interests, and the money spent by them so far is of no appreciable loss to them. Nevertheless, they have held me back and jeopardized my personal interest, as well as the loss of the \$35,000 due me.

"And I fully believe that if the Canadian Government would be indulgent and leave the matter open for me to make a personal application of re-entry, I believe I will be able to finance this matter in a way satisfactory to the Government with other large interests who have signified their intentions of support in this undertaking, should I be fortunate enough as to receive the courtesy of this privilege of re-entry from the Canadian Government.

"Thanking you and the Department for all your kindness in the past to me, and all the helpfulness received from all in official capacity, and especially to you personally, Mr. Rowatt, whom I first made application for the granting of these leases, I am

With all good wishes,

Sincerely yours,

Reinhold Hoppe."

By the Chairman:

Q. Was that letter written after they had been re-staked?—A. No, after the cancellation, but prior to the re-staking.

Q. And did the Government refuse to give this man a chance?—A. The reply is here.

By Hon. Mr. Bostock:

Q. When did you receive that letter?—A. It was received in the Department on the 22nd of August, 1918.

By Hon. Mr. McLennan:

Q. Might I suggest that we hear the telegram of the 14th of August? Would you kindly read that telegram?—A. The telegram was received on the 15th of August, 1918.

“Referring to File No. 80798, M, L and Y, can matters be held open for me for sixty days if so will come on at once personal interests being seriously jeopardized letter follows.

R. Hoppe.”

By Hon. Mr. Willoughby:

Q. Was there a reply to that telegram?—A. Yes, on the day following, the 15th of August. “All leases of coal mining locations in province of Alberta acquired by Paul R. Isenberg have been finally cancelled, and Department has not power to reinstate lessee in rights formerly held by him.” That is signed by myself.

By Hon. Mr. White:

Q. What is the date of cancellation?—A. The letter was written on the 1st of August, and the final cancellation in our records was on the 3rd of August.

By Hon. Mr. McLennan:

Q. And that letter was written to Mr. Hoppe on the 1st?—A. Written to Mr. Galt on the 1st of August.

By Hon. Mr. Willoughby:

Q. Will you kindly read that?—A. The letter of cancellation is dated the 1st of August.

By Hon. Mr. Bostock:

Q. Had we not better have the letter written to Dr. Hoppe in answer to his letter of the 16th?

By Hon. Mr. Michener:

Q. Did you confer with anyone in answering Dr. Hoppe's letter and telegram?—A. No. I answered it on the ruling of the Department of Justice. We have a standing ruling of the Deputy Minister of Justice that if a lease is once cancelled the lessee has not power of reinstatement; he must again apply.

Q. Are not Orders in Council sometimes passed to reinstate cancelled leases?

By Hon. Mr. Watson:

Q. We do not know of all this correspondence. If there is anything you have which would interest us, you might produce it?—A. In reply to Dr. Hoppe's letter, dated the 16th of August—it was received on the 22nd and replied to on the 26th, and the reply reads:

"I beg to acknowledge the receipt of your letter of the 16th instant, having reference to coal mining leases Nos. 760, 761, 762, 763, 764, 765, 766 and 782 acquired by Paul R. Isenberg, comprising 18,876 acres of land situated near the junction of the Muskeg and Smoky rivers in the province of Alberta.

On the 1st of this month, Mr. J. R. Galt, Vice-President of the Hawaiian Trust Company, Limited, of Honolulu, was advised that the rental of the locations described in the above leases became due on the 15th of May and the 22nd of June last; that these leases provided that default in payment of the rental for thirty days after it should have been paid renders the lease subject to cancellation; and that as the rental of these leases had been in arrears for a greater period than that specified in the regulations the leases had been duly cancelled in the records of this Department.

The Department of Justice has decided that when a coal mining lease has been cancelled in the records here, the Department has no power to reinstate the lessee in the rights formerly held by him. You asked for a period of time within which to acquire the rights described in these cancelled leases. In reply I beg to say that the rights in question were made available for disposal immediately upon the cancellation of the leases, but no application has since reached the Department here covering the rights in question. There is no objection to your making application in the manner prescribed in the regulations for a lease of the maximum area of the rights in question, provided such rights are available on the date of your application. These rights, however, can now only be acquired under and in accordance with the provisions of the regulations in that behalf.

The agreements which accompanied your communication are herewith returned to you."

By Hon. Mr. Watson:

Q. What is the date of that letter?—A. The 26th of August.

By Hon. Mr. White:

Q. You used an expression there, "are made available for immediate"—what is the expression there?—A. I said: "In reply I beg to say that the rights in question were made available for disposal immediately upon the cancellation of the leases.

Q. What does that mean? What is the process?—A. As soon as the recorder for the district receives notification of the cancellation, the rights then become available to any applicant who desires to apply for them.

Q. Is there no notice given of it or what is the process?—A. The notice is sent to the departmental agent in the district.

By Hon. Mr. Bostock:

Q. Have you the mining regulations with you?—A. Unfortunately I have not. I suppose it is the coal mining regulations you refer to?

Hon. Mr. BOSTOCK: Here is a copy. Perhaps you had better point them out to the committee.

Hon. Mr. WHITE: It is about the process after these rights are cancelled that I was inquiring; I wanted to know what was done with them.

By Hon. Mr. Michener:

Q. Is it the custom to cancel leases that are thirty days in arrears of payment?—A. Very often we do.

Q. You would not say it was the usual course? Have you any other cases where large sums of money have been paid upon the lease and it was cancelled so soon after the payments became due?—A. Well, I do not recollect any parallel case just now; but I assume that the letter received from Mr. Galt in which he applied for an

indefinite extension of time, conveyed to the minister the idea that they were not in a position to make payment at the time. It virtually was an admission that they could not pay the rental.

By Hon. Mr. Thompson:

Q. Mr. Galt was acting as agent for somebody else?—A. He was the agent of Paul R. Isenberg, whose address we did not know. We never had his address.

By Hon. Mr. McLennan:

Q. Dr. Hoppe and then subsequently Mr. Galt were the two persons who communicated with the department?—A. Yes.

Q. Although you were advised that Mr. Isenberg really did own the leases?—A. They were recorded in the name of Isenberg.

Q. But you had always communicated with Hoppe and later with Galt?—A. Yes. We have had no correspondence with Mr. Isenberg and have no idea where he lives.

Q. Would you tell us about this point? The second of those payments—there were thirty days allowed on them?—A. Yes, sir.

Q. That would bring it along to the 20th of July, would it not?

Hon. Mr. Bostock: The 22nd of July would be the last one.

By Hon. Mr. McLennan:

Q. The 22nd of July?—A. The 22nd of July, 1918.

Q. That being one of the contiguous coal areas. Some previous ones would be due in May. The one due on the 20th of July, you cancelled eight days afterwards, although the owners lived a very considerable distance away?—A. Yes, sir.

Q. Is that the usual practice of the department?—A. Well, I don't remember of any exactly parallel case.

Q. Or approximately parallel?—A. No, I could not cite any.

Q. That is, where people have paid a considerable amount of money the usual course would be to give them a little more time, taking into consideration the distance at which they were?—A. A notification had been sent to Dr. Hoppe in quite sufficient time. A previous notification I have reference to.

Q. Yes, early, that the rental would be due. He did not meet that, and the other man asked for an extension of time under the circumstances. But, as I understand it, there were only a few days given?—A. Dr. Hoppe was notified on the 7th of June what amounts would become due and when they would become due. We received no reply whatever from him.

By Hon. Mr. Bostock:

Q. Have you the letter from the department? Would you kindly read that?—A. \$18,876.15. The letter of notification to Dr. Hoppe himself, at his old address at Oakland, California, was this.

By Hon. Mr. Watson:

Q. What is the date of that?—A. It is dated the 7th of June, 1918.

"I beg to refer you to coal mining leases Nos. 760, 761, 762, 763, 764, 765, 766 and 782, recorded in the name of Mr. Paul R. Isenberg."

By Hon. Mr. Watson:

Q. That would be about half the claims?—A. That enumerated all the claims—all the eight of them. —and to inform you that the rental of seven of these leases became due on the 15th ultimo. The rental of lease No. 782 will become due on the 22nd instant.

"Please call the attention of the parties interested to the matter and instruct them that payment should be made at an early date of the rental in question, as shown in the following statement."

Then an itemized statement made out for each location is given, and the date upon which it became due.

Lease No.	Amount of Rental.
760.....	\$ 960 00 with interest from May 15, 1918.
761.....	2,560 00 with interest from May 15, 1918.
762.....	2,500 00 with interest from May 15, 1918.
763.....	2,560 00 with interest from May 15, 1918.
764.....	2,560 00 with interest from May 15, 1918.
765.....	2,560 00 with interest from May 15, 1918.
766.....	2,560 00 with interest from May 15, 1918.
782.....	2,566 15 due June 22, 1918.

Being a total of \$18,876.15.

By Hon. Mr. Bostock:

Q. That was all there was in that letter?—A. Just the signature.

By Hon. Mr. Willoughby:

Q. Had you any communication from Dr. Hoppe before that? He speaks as if you had been in touch with him?—A. I think I had no communication before that probably for years.

By Hon. Mr. Watson:

Q. Had he visited Ottawa?—A. Yes; I knew Dr. Hoppe very well and occasionally he wrote me a private letter, that is, wrote me a social letter, just saying how he was getting along; but no official correspondence was received from him for some years before that.

By Hon. Mr. Willoughby:

Q. And you received the rental from the Hawaiian Company?—A. We received the rental mostly from the Bank of Commerce, Ottawa. Mr. Cambie generally paid the rental.

Q. For how many years preceding the cancellation?—A. I should say for about two years Mr. Cambie handed in the rental—sent it over to the department.

By the Chairman:

Q. Was Mr. Cambie notified that you were going to cancel those leases?—A. Not through the department, but we sent a copy of this notification to the firm that we supposed was representing Dr. Hoppe, that is, the firm of Pringle and Guthrie, and I understand that, as they did not represent him in this particular matter, they sent the letters to the Manager of the Bank of Commerce, Ottawa.

Hon. Mr. WATSON: How did you know they did not represent him?—A. Well, I only had the verbal statement from one of the members of the firm, that while they represented Dr. Hoppe, they did not represent him in this particular matter.

Q. They represented him in an application for railroad lands, I understand?—A. That is what one of the members of the firm told me.

Q. Did they not notify you that they did not represent him?—A. No, I don't think so. Dr. Hoppe notified me they did represent him. He repeatedly told me that any correspondence we had for him might safely be sent to Messrs. Pringle and Guthrie.

By the Chairman:

Q. Previous to this you had always received your money from the Bank of Commerce?—A. Well, several times I received it; I am not in a position to say just how many.

Q. Would it not be reasonable to suppose that when the department were notifying anybody that the rental on these leases were due they would notify the Bank of Commerce immediately?—A. This payment was received from the Bank of Commerce.

Q. But I would like that question answered, Mr. Rowatt. Would it not be reasonable to suppose that your department would have notified the Bank of Commerce, from whom you had received money before?—A. I think it is just a question. The Hawaiian Trust Company stated they were the agents for Mr. Isenberg, and we accepted their statement that they were the agents, and we wrote to them, and we wrote to the firm of solicitors that we assumed was representing Dr. Hoppe. As a matter of fact, I probably overlooked the fact that the Canadian Bank of Commerce were his financial agents, but we do not generally send a copy of that kind to the financial agents of the lessee.

By Hon. Mr. Willoughby:

Q. What is there on file to show that Mr. Hoppe had an interest in the property, prior to the letter of 1914?—A. There is nothing on file whatever. There was an absolutely unconditional assignment from the original lessees to Paul R. Isenberg, and it is only by verbal information that we are aware of the fact that Dr. Hoppe was behind the enterprise.

By Hon. Mr. Blain:

Q. Do you know of anything suspicious or peculiar about the whole transaction?—A. Not the slightest. It seemed absolutely a routine matter, and done in exactly the same way as we do other departmental business.

Q. Nobody interviewed you to favour one person or another?—A. No one ever interviewed me.

Q. You did all the correspondence and notifications strictly according to the regulations of the department, did you?—A. Absolutely—absolutely in accordance with the regulations of the department.

By Hon. Mr. McLennan:

Q. You treated this case just as you treat others?—A. Well, yes, treated it practically the same as we treat other cases.

Q. On the 7th of June you notified a man at some place in California.

Hon. Mr. BOSTOCK: That was Dr. Hoppe?

By Hon. Mr. McLennan:

Q. Yes, that certain rents would fall due a fortnight later on which there was thirty days' grace, and on the first of August you cancelled these leases. Would that be the usual practice of the department with all leases where there were arrears?—A. Well, I don't think the department is under any obligation to notify a lessee that his rental is due.

Q. That is not the question I asked. I asked if that was the usual practice, within, comparatively speaking, a few days, to cancel a lease where these people had already paid something over \$100,000 to you. Is it usual to cancel that promptly whether the amount is more or less?—A. I think likely the leases were cancelled more promptly than the average lease is cancelled by the department.

Q. Senator Bostock asked for a return as to your practice.

Hon. Mr. BOSTOCK: Of course Mr. Rowatt has not had time to put that in.

Mr. ROWATT: I have not had the file at all in the meantime.

By Hon. Mr. McLennan:

Q. But, Mr. Rowatt, tell us. It was prompter than usual?—A. I think it was.

By Hon. Mr. Watson:

Q. Mr. Rowatt, had you heard that Dr. Hoppe was suspected of being a German and had been arrested in Montreal?—A. I had heard that. I had not any doubt about his being a German. He was a German; he was a Prussian.

Hon. Mr. McLENNAN: His name would indicate that.

Mr. ROWATT: A native of East Prussia.

By Hon. Mr. Watson:

Q. I understand he was arrested and finally the department let him go because they came to the conclusion that he was an American citizen?—A. Mr. Cambie, of the Bank of Commerce, informed me such was the case.

Q. Had that anything to do with the hurrying up of the cancellation of the leases? —A. I scarcely think so. I think probably it was forgotten by the time the leases were cancelled. I have no doubt there were a great many verbal representations made to the department respecting Dr. Hoppe's nationality.

Q. Made to whom?—A. A great many were made to me, and I have no doubt there were representations made to others.

By Hon. Mr. Bennett:

Q. By whom? A. By different persons, but I could not enumerate them; probably half a dozen persons.

By Hon. Mr. Tessier:

Q. Who wanted the property?—A. Not at all.

By Hon. Mr. Watson:

Q. Name some of them?—A. I could name C. P. Hill, of Montreal. You know him very well, Senator.

By Hon. Mr. McLennan:

Q. Is that the Mr. Hill of the Hillcrest Mine?—A. Yes. Then there was a returned chaplain who made very strong representations for the benefit of the returned soldiers.

By Hon. Mr. Watson:

Q. Who was that?—A. I cannot remember his name.

By Hon. Mr. McLennan:

Q. Was it his theory that these leases should be cancelled and taken up for the benefit of the returned soldiers?—A. Something of that kind. The representations in all cases were based on loyalty to the Crown and the fact of an alien enemy holding the property. That was all.

By Hon. Mr. White:

Q. This property was well-known?—A. Yes, it was well-known, but none of them wanted to acquire the property.

Q. What was the idea?—A. I think they were irritated because a well-known German held a block of very valuable coal lands in a British Dominion.

By Hon. Mr. Bostock:

Q. How did they know they were valuable?—A. I assume Dr. Hoppe made it very public.

Q. Had you any reports in the department?—A. We had no reports, but I have seen reports which Dr. Hoppe had.

By Hon. Mr. Michener:

Q. Was there any statement of what was invested in Dr. Hoppe's interests?—
A. No.

By the Chairman:

Q. Have you no reports in the Department to show the value of that property?—A. Not in the Department of the Interior; they would be kept in the Department of Mines. The Mining Lands Branch is a branch for the sale of mining lands. The Mining Branch is the part where technical matters are dealt with. Ours is really a Dominion Lands Branch.

By Hon. Mr. McLennan:

Q. You are not made acquainted with any information with regard to particular tracts of land from the geological standpoint by your geological branch?—A. They are good enough to furnish us with copies of their report.

By Hon. Mr. Bennett:

Q. Did you assume that Hill knew the value of them owing to his residence in that western country?—A. No. My understanding was that his only interest in the thing was that the holder of the land was a German.

By the Chairman:

Q. Was he? The land was not held by Dr. Hoppe, was it?—A. No, but it was always recognized—

Hon. Mr. McLennan: He was the man the Canadian public knew.

The CHAIRMAN: The land was not cancelled from Dr. Hoppe: it was cancelled from the American citizen, Isenberg.

By Hon. Mr. Barnard:

Q. Mr. Rowatt, you told us that those were cancelled possibly somewhat more quickly than usual in the Department. Would the fact that representations had been made to you that they were owned by an alien enemy have actuated you to some extent to greater promptness of action?—A. I really do not know whether that had any effect at all. I think probably what had effect was the fact of Mr. Galt writing here that they were not in a position to pay their rental.

By Hon. Mr. Watson:

Q. Do you authorize the cancellation?—A. Oh, not at all.

Q. Who does?—A. The cancellation was authorized by the Minister.

By Hon. Mr. Bostock:

Q. You make a report?—A. Yes.

By Hon. Mr. McLennan:

Q. Who was the Minister?—A. Hon. A. L. Sifton, at the time.

Q. He was Acting Minister?—A. Yes, he was Acting Minister.

By Hon. Mr. Willoughby:

Q. Is not there an annual report made by the lessee of the mine as to the output?
—A. Yes, a quarterly sworn statement.

Q. Would that come to your possession at all?—A. It would come to our branch.

Q. It would be in your records?—A. If such a report had been furnished. As there were no operations carried on, it was just a blank return sent in.

By Hon. Mr. Michener:

Q. As a matter of fact, Mr. Rowatt, you know personally that considerable money had been spent, did you not?—A. I know the exact amount that had been paid in rental.

Q. Also the amount of work which had been done to develop or to prove it?—A. Well, I never understood there was much expenditure incurred in development or showing up the coal seams. It was a difficult place to reach, and I understood a good deal of money was spent in getting there and staking it and placing it on the market.

Q. Didn't you know there were five tunnels sunk in five different seams to a depth of about 100 feet each? That was referred to in the House?—A. There is no evidence on the file.

The CHAIRMAN: This is a return that came down, and I presume you sent it.

By Hon. Mr. McLennan:

Q. They would not show on the returns what they expended on the property?—
A. No, only the quantity of coal mined.

By Hon. Mr. White:

Q. Do you know what that was?—A. They didn't mine any; there was no market; no means of disposing of it.

By Hon. Mr. Michener:

Q. In regard to the usual procedure of the Department with regard to the cancellation of leases, isn't it a fact that sometimes the arrears are allowed to run for years, especially where expenditure has been made?—A. Yes, arrears continue, especially if the lessee asks for an extension of time.

Q. It is usual to cancel these only as a last resort when you find out finally the lessee does not wish to continue?—A. No, if we notify the lessee more than once and receive no reply, it is assumed that they have relinquished their rights, and the Department proceeds to cancel.

Q. It is usual for the Government to give every benefit to those who have invested money in leases?—A. Yes.

Q. In fact to be not only fair but generous, sometimes. Generally speaking their rights are respected to a reasonable extent, and even to a generous extent? I notice in connection with the West View Ranch Company, in the *Canada Gazette*, where they were in arrears in connection with the lease, that a year after they were reinstated by Order in Council, and the money paid on the lease was applied to a purchase of a portion of the lands. It appears that the Government are usually very fair and generous with any capital invested in leases of this kind, and it is hard for me to understand why, eight days after the expiry of the thirty days a lease, where so much money had been spent in proving, and where the property was so valuable, and where so much had been paid on leases, the Government should summarily, irretrievably cancel the lease. That does not appear to agree with the custom of the Department. Is there any explanation for this unusual procedure on the part of the Department?

Hon. Mr. WATSON: I think that is customary to apply amounts paid on large areas in that way.

Hon. Mr. MICHENER: It was done by Order in Council in this case.

By the Chairman:

Q. I think, Mr. Rowatt, we had better let you answer the question?—A. I know of no reason why the action in this case is different from the action in any other case.

Q. Is it not a fact that your action in this matter is different to what it had been in other cases? Is it not a fact that you cancelled these leases within thirty days, when, under ordinary circumstances, other people would have been given a very much longer time?—A. I have already said that more prompt cancellation took place in this case than was customary.

Q. Is it a great deal prompter? Under circumstances would not the man who wrote that letter have had more consideration than he got?—A. There was not one case, so far as I am aware, where a request parallel to that was granted. There was not one case where an extension was granted until after the war.

By Hon. Mr. McLennan:

Q. No, but can you recall a case where a valuable lease was cancelled eight days after?—A. No.

By Hon. Mr. Barnard:

Q. Would not that arise from two facts: In the first place, Mr. Galt saying that he could not pay the money for the lease?

Hon. Mr. Bostock: He did not say that.

Hon. Mr. BARNARD: He asked for an indefinite extension of time, until after the war. That is tantamount to saying he could not pay the rent. And would not the other ground be that they were held by an alien enemy? Those two facts would have a very important bearing?—A. I have no doubt that Mr. Galt's letter had a material bearing on the cancellation of the leases.

By Hon. Mr. McLennan:

Q. It was only a request that the department should consider it?—A. I think it was a straight application that all rentals would be cancelled until after the war.

By Hon. Mr. Watson:

Q. Why was the notice sent to Mr. Galt instead of to Mr. Isenberg?—A. We were not aware of Mr. Isenberg's address, and Mr. Galt stated that he was a citizen of Hawaii and a client of their company, and as we did not know his address we wrote to the company.

Hon. Mr. McLENNAN: Mr. Galt's letter was just a request.

By the Chairman:

Q. You wrote a letter in reply to that. Have you anything to prove that your reply ever reached Mr. Galt?—A. Mr. Hoppe admits it.

Q. But you have no word from Mr. Galt?

Hon. Mr. McLENNAN: Mr. Galt probably communicated with Dr. Hoppe.

By the Chairman:

Q. We do not know that?—A. It is clear that Mr. Hoppe had the letter.

By Hon. Mr. Barnard:

Q. I was not in when that letter was referred to. What was the date of the letter of Mr. Galt?—A. It was dated the 20th of February, 1918.

Q. And what was the date of the cancellation?—A. The 1st day of August following.

Q. That is five months later?—A. The communication was written on the 1st of August, and the actual cancellation was on the 3rd.

Hon. Mr. McLENNAN: Roughly speaking, it takes a month to get a letter to Hawaii.

By Hon. Mr. Bostock:

Q. Did you cancel off your own bat, without consultation with the Minister or anybody?—A. As far as this particular case is concerned I did not. I received instructions to cancel.

Q. From whom did you receive instructions?—A. I submitted a statement of the case to the Deputy Minister, who referred it to the Acting Minister, and the instructions were those of the Acting Minister.

Q. Have you the instructions on file?

By the Hon. Mr. Watson:

Q. Were you asked to submit a case, or did you do it off your own bat?—A. I think I was asked to submit anything in connection with those particular leases.

Q. By whom?—

By Hon. Mr. Bostock:

Q. Is that on the file? Could you turn it up?—A. It is on file; it was a request from the Deputy Minister.

By the Chairman:

Q. This was before you submitted anything? You were requested by the deputy to submit this case?—A. Yes, the instructions were general. It is dated the 22nd of December, 1917, and says:—

“Having reference to the leasehold of D. P. R. Isenberg and Dr. Reinhold Hoppe, I wish that you would make a special note that any correspondence relating to these men is to be referred to this office.”

By Hon. Mr. Michener:

Q. Who signs that?—A. The deputy minister

By Hon. Mr. Watson:

Q. That is Mr. Cory?—A. Yes, sir.

Hon. Mr. McLENNAN: What was the next step?

By Hon. Mr. Barnard:

Q. Have you your memoranda that you submitted?—A. I have memoranda that I submitted to the Minister in regard to the cancellation of the lease.

By Hon. Mr. Watson:

Q. What is your first reply to Mr. Cory?—A. That is the first. No, there was correspondence received in the meantime, and it was submitted—

By Hon. Mr. McLennan:

Q. This correspondence to which you have referred was submitted to the Deputy minister?—A. Yes.

By Hon. Mr. Barnard:

Q. Will you read your memorandum?—A. Mr. Chairman, am I required to produce memoranda passed between myself and the Deputy Minister?

The CHAIRMAN: Certainly.

The WITNESSES: Copies of these memoranda are not prepared in an ordinary return to the House.

The CHAIRMAN: This is a Committee of the Senate.

The WITNESS: I am in your hands. I thought it only fair that I should ask.

The CHAIRMAN: Yes.

The WITNESS: The first memorandum I find is this:—

"In May and June, 1912, leases were issued under the provisions of the Coal Mining Regulations in favour of eleven persons of locations situated at the junction of the Muskeg and Smoky rivers, in the province of Alberta, and these leases were subsequently assigned to Paul R. Isenberg. The rental of these locations has been paid up to May and June next, on which date the rental for next year, amounting to \$18,880 will become due."

Mr. J. R. Galt, vice-president of the Hawaiian Trust Company, Limited, in the annexed letter states that Mr. Isenberg, in whose name these leases stand recorded, is in poor health, and owing to this and the present war situation, he asks whether it would be possible to make an arrangement whereby the continued payment of the annual rental could be postponed during the period of the war, without the lessee losing the rights which he has acquired under the above leases."

By Hon. Mr. Watson:

Q. At that time the rents were paid?—A. Yes, they were not in arrears at that time.

Q. He asked for an extension before arrears occurred at all?—A. Yes, three months before.

"In your memorandum to me, dated the 22nd ultimo, you gave instructions that any correspondence relating to the lessees rights be referred to your office.

I think Mr. Galt might be advised that under the provisions of the regulations, the Department has no authority to postpone payment of the annual rental of the locations in question during the period of the war."

By Hon. Mr. McLennan:

Q. That memorandum was in March?—A. Yes. I think Senator Bostock asked me to read a memorandum on which cancellation was made.

Hon. Mr. Bostock:

Q. Yes?—A. "In May and June, 1912, leases were issued under the provisions of the coal mining regulations in favour of certain persons of locations in unsurveyed territory near the junction of the Muskeg and Smoky rivers, and about 100 miles north of the line of the Grand Trunk Pacific railway in the province of Alberta, and in August of the same year these leases were assigned to Paul R. Isenberg.

It is understood, however, that the leases were so assigned for collateral purposes only, and that the real owner of the locations described in these leases is Dr. Reinhold Hoppe of Oakland, California. The locations in question contain an area of 18,876.15 acres, so that the annual rental amounts to \$18,876.15.

The rental of these leaseholds has been paid up to May and June last. On the 15th of May last, the rental of seven of the leases for the current year, amounting to \$15,320, became due, and Dr. Hoppe and Messrs. Pringle and Guthrie, barristers, of Ottawa, were duly notified. No payment, however, appears to have been received on account of the rental of the locations in question, and the leases provide that default in payment of the rental for thirty days after it should have been paid renders the lease subject to cancellation. These seven leases, therefore, became subject to cancellation on the 15th ultimo.

In December last, you instructed me that any correspondence relating to either Mr. Isenberg or Dr. Hoppe was to be referred to you.

In view of the conditions of the leases above referred to, and the fact that the rental is in arrears for a greater period than thirty days, I think the Department might be justified in cancelling these leases in the records of the Department."

That is signed by myself.

By the Chairman:

Q. Mr. Rowatt, just there. In those letters you speak of the power of cancellation. Is not that power contained in all the leases you issue? It is just the ordinary lease?—A. Yes.

Q. It is an ordinary power; there is nothing extraordinary in the power to cancel leases?—A. Provision is made in all leases or nearly all that they may be cancelled upon thirty days' notice.

Q. That is a standard clause?—A. A standard clause.

By Hon. Mr. Bostock:

Q. But that is at the discretion of the Minister, is it not?—A. Yes.

Q. You have not a copy of one of these leases?—A. The lease does not state that it is at the discretion of the Minister, but the Minister has often exercised that discretion, no doubt.

By Hon. Mr. Michener:

Q. Did you get an answer to your report, from the department?—A. I got the report back approved.

Q. With whose initials approving it?—A. It is, "O. K.—A. L. S."

Q. What do those initials stand for?—A. I assume, the Hon. Mr. Sifton.

Q. The Acting Minister?—A. The Acting Minister.

By the Chairman:

Q. That is the way he generally approves?—A. I would not be sure of that. He was not Acting Minister for any great length of time, and I am not positive that those are his initials, or even that that is the way he generally approves.

Q. You believed they were?—A. Undoubtedly.

By Hon. Mr. Watson:

Q. Does the initialling mean approval of the cancellation?—A. It was concurrence in the recommendation made in the memorandum.

By Hon. Mr. Tessier:

Q. Did you say you were not quite sure? You must have been sure?—A. I was absolutely sure that that was what it was.

By Hon. Mr. McLennan:

Q. Can you remember any verbal communication?—A. There was no verbal communication at any time.

By the Chairman:

Q. You believe, Mr. Rowatt, that that was authorized by the Acting Minister, Mr. Sifton?—A. Yes, I think it was authorized.

By Hon. Mr. McLennan:

Q. You acted on that assumption?—A. Yes.

By the Chairman:

Q. You had no reason to doubt it?—A. No.

By Hon. Mr. McLennan:

Q. It was just——?—A. “O. K.—A. L. S.”

By Hon. Mr. Watson:

Q. Had you knowledge that he was Acting Minister?—A. Yes, I knew he was Acting Minister.

By Hon. Mr. Michener:

Q. I asked some time ago about when you cancelled the leases, whether it was upon your own initiative or only after reference to or conference with the superior heads. I understood you to say at that time that you did it entirely upon your own responsibility?—A. Well, very frequently upon my own responsibility.

Q. Yes, but in this case, apparently, the authority came from the Acting Minister?—A. As a matter of fact the authority comes from the minister in every case, only that he occasionally gives instructions that may be applied to a great many parallel cases.

Q. But you never take it upon your own responsibility to cancel a lease of this nature, or of this proportion, right off the bat, without some authority?—A. Never.

Q. No?—A. We either have general authority or specific authority.

Q. In this case you had specific authority?—A. Yes.

By the Chairman:

Q. Is it not a fact, Mr. Rowatt, that months before it was possible for you to cancel these lands the rent had been paid up and in the interval you received a letter from the department instructing you to submit any communication or anything in reference to this to the department—even long before the rent became due at all? In March?—A. Yes, March.

Hon. Mr. MICHENER: December was the first.

By the Chairman:

Q. Showing that the department practically warned you not to deal with this matter, except through the deputy or the minister?—A. There was no special reason for doing so, for under no circumstances would I have cancelled this or any other lease without specific authority.

By Hon. Mr. Watson:

Q. Every cancellation is authorized by the minister?—A. Every cancellation, either generally or specifically.

Q. I think the Act provides for it?—A. Yes.

By Hon. Mr. Bostock:

Q. Is there any date to that approval of Mr. Sifton's?—A. No, there is no date excepting the date probably upon which we received it back. We received it back on the 31st of July.

By Hon. Mr. McLennan:

Q. What was the date of that memorandum?—A. It was dated the 4th of July, and I got it back on the 31st of July.

Q. And next day you cancelled it.

By Hon. Mr. Bostock:

Q. No, the next day you wrote the letter to Mr. Galt?—A. The next day we wrote the letter, yes; I wrote the letter on the 1st August.

Q. And you cancelled on the 3rd of August?—A. Yes; it reached the office of cancellation—there are different offices—on the 3rd, and it took several days before it got round the different divisions.

By Hon. Mr. McLennan:

The cancellation offices are separate? You passed it on to them?—A. Yes.

Q. And they completed the cancellation?—A. They complete the cancellation as it reaches them.

By Hon. Mr. Michener:

Q. Between the time you received your report at your office and the time the leases were cancelled—that would be the 3rd of August—did you receive any other communication or instructions from your superiors?—A. No, I never received any instructions at any time except just the memorandum I read you.

Q. Just the memorandum initialled?—A. Yes.

By Hon. Mr. McLennan:

Q. Did you communicate to them that you had cancelled the leases?—A. No, I did not communicate with them. It simply went on—it was simply a matter of routine.

Q. Departmental routine?—A. Of course we cancel thousands of leases of this kind.

Q. But you cannot cancel often leases involving so large an amount, can you?—A. Not for so large an amount, but I suppose we have cancelled in the last year, three, four or five hundred petroleum leases.

By Hon. Mr. Michener:

Q. Did you cancel where payments were in arrears for less than six months?—A. Oh, yes.

Q. There were some under six months?—A. Some under six months. We have cancelled many where the arrears were parallel with these—two and a half months they were in arrears. I think we have cancelled many where the arrears had run probably for only two and a half months.

By Hon. Mr. McLennan:

Q. These leases arrears did not run that long, did they?—A. Yes, sir.

Q. One lease was only eight days. The thirty days of grace would be up on the 22nd of July and you cancelled on the 1st of August?—A. Yes.

Q. Even taking the others. They would be about the 15th of June. That would have been only about six weeks?—A. Yes, but from the 15th day of May to the 1st of August is two and a half months.

Q. But then there are always thirty days, you see?—A. Yes, if you deduct the thirty days grace, it would be six weeks.

Q. They could squeeze in within the thirty days and be perfectly safe.

By Hon. Mr. Michener:

Q. In cancelling it is usual to have word from the lessee that he does not wish to continue the lease?—A. Very seldom.

By Hon. Mr. McLennan:

Q. The lease ordinarily goes by default?—A. Ordinarily by default, and we cancel because we do not hear from them.

By Hon. Mr. Watson:

- Q. These people paid for six years?—A. These people paid from 1912 to 1918.
 Q. Six years?—A. Six years.
 Q. About \$114,000.

By Hon. Mr. McLennan:

- Q. Would it be well for Mr. Rowatt now to go on to tell us about the subsequent steps in relation to this property?

By Hon. Mr. Willoughby:

- Q. Just before that. I suppose that is quite the usual thing—I do not know—to get a memorandum such as that from the deputy minister?—A. Well, I have had many.

- Q. To hold up dealings with a certain thing?—A. Yes, a great many similar memoranda. That was not an unusual thing by any means.

By Hon. Mr. Blain:

- Q. Were you suspicious at all that there was any person hurrying up the cancellation of these leases?—A. No, certainly not; I had no suspicion of it whatever.

- Q. You had none at the time?—A. I had none at the time, nor none afterwards.

- Q. And have you any now?—A. Well, I have heard a great many rumours. We all have. But I do not know.

By Hon. Mr. Watson:

- Q. I think you stated, Mr. Rowatt, that you had suspicion because this man was a German?—A. But I think that was not the question the senator asked.

Hon. Mr. BLAIN: No.

By Hon. Mr. Watson:

- Q. That is one of the reasons you were hurrying up the cancellation, apparently?—A. I only assumed that his nationality might have had its influence.

By Hon. Mr. Bostock:

- Q. For these cancellations the office of record is the Edmonton office, is it not?—A. Yes, the office of the recorder is the Edmonton office.

- Q. So that no application could be made for new leases until that office received notice of the cancellation?—A. Not until that letter that I wrote on the 1st of August reached Edmonton.

- Q. Then they would wipe these leases off their files?—A. Yes, and they would probably post a letter, in the recorder's office.

By Hon. Mr. McLennan:

- Q. Placard it, to make it public?—A. Yes, sir.

- Q. That would be probably about the 6th of August? You have no information as to when that happened?—A. I assume that it would be on the 5th of August.

- Q. When it would be received out there.

By the Chairman:

- Q. Is it customary to notify the recorder's office of a cancellation immediately?—A. Yes, concurrently with the written cancellation we notify the recorder.

By Hon. Mr. Watson:

- Q. Have you the letter there?—A. We send a copy of the letter to the recorder.

By the Chairman:

Q. You send a copy of the cancelling letter?—A. Oh, yes. The letter to the mining recorder was of even date, the 1st of August, 1918.

By Hon. Mr. Bostock:

Q. The 1st of August, 1918?—A. Yes, the same date that we wrote the letter of cancellation.

Q. And that letter of cancellation was written on the 3rd August?—A. The 1st of August, but the actual cancellation in our books was not until the 3rd August. The files had not reached the other clerks. Do you want me to read this, Mr. Chairman?

The CHAIRMAN: Yes.

Mr. ROWATT (Reading): "I beg to refer you to your file No. 183411, and to enclose herewith a copy of a communication which has this day been addressed to the vice-president of the Hawaiian Trust Company, Limited, Honolulu, advising him of the cancellation of the eight leases mentioned in that communication.

"These leases might now be cancelled in the records of your office, and the rights described therein made available for other disposition, provided that you are not aware of any objection thereto."

By Hon. Mr. McLennan:

Q. Have you a reply to that?—A. No; we do not generally get a reply to it, and I assume there was no reply. Yes, there was a reply to it.

By Hon. Mr. Watson:

Q. What is the date of that?—A. The reply was dated the 17th of August and was received on the 22nd of August.

By Hon. Mr. McLennan:

Q. What does that say?—A. "Referring to your file No. 80798M.L. & Y., I beg to acknowledge receipt of your letter of the 1st instant, advising me that coal mining leases Nos. 760, 761, 762, 763, 764, 765, 766 and 782 have been cancelled, and the rights comprised therein made available for other disposition. This is duly noted." It is signed for the Mining Recorder.

By Hon. Mr. Watson:

Q. The 17th of August?—A. Dated the 17th of August and received on the 22nd of August.

By Hon. Mr. Willoughby:

Q. Your notice went out on the third, I think you said?—A. On the 1st of August.

By Hon. Mr. McLennan:

Q. It was received before the 17th, I take it, but they simply got round to entering it on the 17th?—A. Undoubtedly, it reached there before the 17th of August. I should say, on the 5th of August.

Q. Well, what was the date in that memorandum when application was received from certain other parties? I think, the 18th, was it not?

Hon. Mr. Bostock: The 19th, 20th and 21st, according to this.

Mr. ROWATT: The 19th, 20th and 21st of August following.

By the Chairman:

Q. Just a few days after?—A. Yes, from 12 to 15 days after.

Q. How far, Mr. Rowatt, would it be from Edmonton—from this office to where coal lands are located?—A. Oh, it must be two hundred or two hundred and fifty miles.

Q. Under ordinary circumstances, have you any idea how long it would take a man to reach them?—A. I would say—from Edmonton to where the coal lands are?

Q. Yes, to go out to re-stake those lands?—A. Five or six days, I should say; a day on the train and five days overland to the camp.

Q. And it would take the same time to come back again?—A. I should say it would be about 80 miles from a railway. That would be probably four or five days travelling.

Q. And he would have to spend time on the property in staking it in addition to that?—A. Yes. It appears it would take three days to stake it.

Q. They must have had a flying machine.

By Hon. Mr. Watson:

Q. On what days were they staked?—A. The 19th, 20th and 21st of August.

By Hon. Mr. Michener:

Q. Is there any requirement to post notices of these lands that are open for leasing? Take the case of homesteads; a notice is posted for a certain number of days.—Does that apply to coal leases?—A. No; there is no requirement to post for a fixed time. They generally post, but there is no time within which it should be posted.

Q. What date would it be open for application in the office?—A. I should say on the 6th of August, about.

By Hon. Mr. Watson:

Q. The 19th, 20th and 21st were the dates of staking the claim?—A. The 19th, 20th and 21st, and they reached Edmonton on their return on the 29th and 30th.

By Hon. Mr. McLennan:

Q. Is there anything in the regulations that would correspond with what we had down in Nova Scotia, about mining lands in the old days. The description was known and if a lease overran or was cancelled, anybody could simply put in a description and take it up again?—A. Under the provisions of our regulations, if the land lies in unsurveyed territory it is necessary for the applicant to go on the ground and stake it in person, and apply, also in person to the mining recorder for the district.

Q. There would have to be the actual staking?—A. The actual staking.

Q. It would not be sufficient to file a description and then get the right?—A. Oh, no.

By Hon. Mr. Michener:

Q. They would have to have lines out between the stakes?—A. One line, the location line, joining posts No. 1 and No. 2.

By Hon. Mr. McLennan:

Q. That has to be cut out and then the other descriptions follow from that?—A. Yes, the other descriptions follow.

By Hon. Mr. Blain:

Q. The rental by the department is a fixed fee?—A. Yes, \$1.

Q. Therefore competition would not help the department?—A. No, there is no provision for competition.

By Hon. Mr. McLennan:

Q. Or for putting up the property at auction?—A. There is no provision for that.

Q. You simply gamble on whether the thing is dear at \$1 per acre per annum, or cheap?—A. The regulations provide that the applicant may obtain a lease by paying \$1 an acre.

By Hon. Mr. Michener:

Q. Is it the policy of the department to throw open for lease properties known to be very valuable and to have an exceptionally good quality of coal and on which considerable money has been expended in improving, and on which considerable money has been paid in the way of leases? Or would it not be considered more in the nature of a proven property and one that would come under a different regulation?—A. Well, we have never made any distinction in the department as to a location which has already been applied for or which is available.

Q. Suppose a location is cancelled on which there has been considerable development? What would be the course in such a case, known to the department?—A. No case has ever arisen where the department was aware of considerable development, and so the matter has never come up.

By Hon. Mr. McLennan:

Q. But I fancy there have been cases where the people who have made such development have been in arrears and have been carried along?—A. I did not understand.

Q. I mean, there have been cases where parties holding property with some developments have been in arrears for rental?—A. Oh, undoubtedly.

Q. Yes, but they have been carried on and the thing has finally been straightened out without cancellation?—A. Many extensions of time have been granted.

Q. But if cancellation was proceeded to, you wouldn't take into account the fact that there was development there, in putting them up again?—A. We have never had a case where there was anything more than a few buildings on the land, and in that case if there were any arrears due the Crown, the department endeavor to get their arrears by the sale of the surface improvements.

By the Chairman:

Q. Mr. Rowatt, right there—did your department not know that these people had spent large amounts of money in developing this property? Was it not well known in the Mining Branch, for instance, that these men had driven in five different tunnels averaging over 400 feet of tunnel work?—A. There was no knowledge of the fact that anything more than ordinary prospecting work had been done on those locations, and I have never seen any evidence that would appear to indicate that they did anything more than ordinary prospecting work.

Q. Now, another question. Did Dr. Hoppe in talking to you, never tell you of the great development work he had done in there?—A. Well, yes, he did; he told me a great many other things.

Q. Do you not think the department ought to have been aware whether the company had spent on this claim over \$200,000 in rentals and improvements?

Hon. Mr. McLENNAN: Mr. Chairman, do you think that is quite a fair question to ask an officer of the department?

The CHAIRMAN: I do not know why it is not.

Hon. Mr. McLENNAN: It would imply a criticism of his superiors, would it not?

The CHAIRMAN: No, I am talking about the department. Excuse me one moment until I make myself clear. I understood from Mr. Rowatt a little while ago that while he himself did not receive this information about the work that was being done on coal mining property, the Mining Branch of his department did receive it. I understood a little while ago that you made that statement.

Hon. Mr. BOSTOCK: I do not think he said they definitely received it.

Mr. ROWATT: I said that the Department of Mines may have had some knowledge of this deposit of coal that you are speaking of. I think that is what you have reference to.

The CHAIRMAN: Yes.

Mr. ROWATT: The Department of Mines no doubt knew all about this deposit of coal, but our branch would not necessarily know it unless they had read the Department of Mines' report respecting it.

The CHAIRMAN: It seems to me that in the public interest there would be some system whereby you would get this information?

Hon. Mr. WATSON: The Department of Mines' representative is here and we can get his evidence.

The CHAIRMAN: The point I was trying to arrive at was this: Here is a valuable property on which, we have evidence to show, there has been at least \$200,000 spent in developments, and the rent becomes due.

Hon. Mr. BARNARD: When you speak of development do you mean \$200,000 on actual development work?

The CHAIRMAN: I mean \$114,000 in rentals and the balance spent on development.

Hon. Mr. BARNARD: That would be \$86,000 spent in development. It would be as well to state it that way.

The CHAIRMAN: It is the same work.

Mr. BARNARD: Oh, no, it is very different.

The CHAIRMAN: Anyway, this amount of money was spent.

Hon. Mr. TESSIER: You assume that.

The CHAIRMAN: I am talking now of the report furnished by a mining engineer. I understand it was referred to in the House. This company defaults in its rent about thirty days and it is notified. The lease is immediately cancelled, notwithstanding that one of them, who had been dealing with you right along, Dr. Hoppe, whom you had recognized as the man who looked after this property, wrote you as soon as he had found out what had taken place and begged for a chance to restake this property to protect himself. In the face of all that, in the face of the money that had been spent and everything else, the department goes on and cancels that man's land, and then, without any further consideration throws the land open for restaking—without any consideration of the great development that had been done on that property and the money that had been paid. Is that usual, Mr. Rowatt?

Mr. ROWATT: I do not see any very great difference between this case and many others that have arisen in the department. I do not know and I have never heard that a large amount was spent in development work on this location. I do not think that Dr. Hoppe himself claimed that a very large amount had been spent in development on the ground. A very large amount had been expended in forming a company and in issuing a prospectus and other work of that kind, and having reports made on the coal and analyses, but I never heard that any great amount of actual development work had ever been done.

By the Chairman:

Q. Have you ever seen the report, Mr. Rowatt, in which they claim to have driven in five tunnels on five different veins, averaging about 90 feet—some of them 98 and some 94 feet?—A. I never saw that report—never heard of it.

Q. Any other report?

Hon. Mr. BOSTOCK: It is a report of Mr. Gilbert, a mining engineer, a consulting engineer, in New York.

By Hon. Mr. Willoughby:

Q. Mr. Rowatt, I presume we all assume that this was unsurveyed land. You have not been asked. Were they unsurveyed lands?—A. They were and are still unsurveyed lands.

Q. Therefore it had to be staked?—A. Had to be staked.

Q. Where did the new applicants reside who made the new stakings of 1920-21?—A. Without their applications here I could not say, but I think the majority were from Edmonton or from that part of Alberta. I have not the files of their original applications here.

Q. It would take approximately six days to reach the scene of the lands and six days to return?—A. I should say about that.

Q. And the letter and the notice of cancellation would reach there about the 5th of August?—A. The letter would reach there about the 5th of August.

Q. Then twelve days to come and go out to the land?—A. There would be from about the 5th of August to the 30th, or the 29th of August within which to stake and return.

By the Chairman:

Q. I suppose we could get that file?—A. Of course, there would be eight files, and I did not bring them down. Here are the eight applicants, but I have not their post office addresses.

Q. What was the date of their assignment to the present holders?—A. Assigned on the 22nd of January, 1919.

Q. To whom?—A. Lieutenant-Colonel Shillington, A. T. Shillington, and Mr. Bernard, C. A. Bernard.

By Hon. Mr. Willoughby:

Q. Are the cancellations printed? Is that information in any way made public?—A. Oh, no, they are not made public.

By Hon. Mr. McLennan:

Q. Might I ask you again to make it clear? That letter was sent on the 1st; it was presumably received about the 5th of August, the 5th or 6th—the reply thereto was written on the 17th, I think you said, and was received on the 22nd?—A. Yes, the reply—Mr. Hoppe's—

Q. No, the reply from your registrar in Edmonton?—A. Was written on the 17th.

Q. In which he said he put up the notice, but does not give the precise date on which he put it up. But these applications were received on the 19th, 20th, and 21st.

Hon. Mr. WATSON: No, they were staked.

By Hon. Mr. McLennan:

Q. And then at a certain later date they said they had done so?—A. The 29th and 30th.

Q. Then they reported they had staked out this particular property?

By Hon. Mr. Bostock:

Q. When they make that statement, when they get that to the office, are the rentals paid for a year?—A. They make an affidavit that they have staked out the location, and show how it is staked, and pay five dollars; then they are given a period of thirty days within which to tender the rental for one year.

By Hon. Mr. Watson:

Q. And the application comes to Ottawa?—A. And the application comes to Ottawa.

Q. And is approved here?—A. The application is made in duplicate, and the registrar forwards one copy and retains one copy.

By the Chairman:

Q. But it has to be approved here?—A. Yes.

By Hon. Mr. McLennan:

Q. And they paid the rental?—A. Before the thirty days expired.

By Hon. Mr. Michener:

Q. Who approved the application?—A. No approval is necessary, if the application is in strict compliance with the rules.

By Hon. Mr. Watson:

Q. What is that rental?—A. I think likely this file shows it—\$478.15 was paid by A. T. Shillington.

Q. On what date?—A. I remember now why this was—on the 22nd of December—it was almost impossible to ascertain the conflict between the different locations staked. If a number of locations are staked in one locality, there is likely to be conflict between them, they are likely to overlap; and the overlapping was not definitely computed until the date upon which this was paid. We didn't know the exact area.

By Hon. Mr. Bostock:

Q. That was the first payment you received?—A. Oh, no, the others paid it in Edmonton, but there was that deficit on account of their claiming more overlapping than existed.

By Hon. Mr. Michener:

Q. That was paid as a final balance?—A. Yes.

Q. And before the lease was finally assigned to Shillington?—A. Certainly.

By Hon. Mr. Watson:

Q. Who paid the other amounts?—A. I think they were paid in Edmonton by the applicants themselves.

By Hon. Mr. McLennan:

Q. Could you ascertain that?—A. Undoubtedly.

Q. Have you the names of the applicants?—A. I should have brought the eight individual files.

Q. That would give a description of who the people were and the dates?—A. I have a list of the persons here, but not their addresses.

Q. You can complete the addresses and the dates of payment?—A. Yes.

By Hon. Mr. Blain:

Q. Who are they?—A. W. R. Gouin, J. A. Leask, G. R. H. Hauff, C. W. Coppock, A. H. Weir, R. W. McClung, William Barnett, A. R. Austin.

By Hon. Mr. Willoughby:

Q. How much land can you enter for?—A. The maximum is 2,560 acres.

Q. These entries take up the whole of the old lease?—A. As far as we could ascertain, they practically coincide.

By Hon. Mr. Blain:

Q. Does it say where these men are from?—A. The individual files will give their post office addresses. I did not bring all the files. I only had a few minutes notice.

Hon. Mr. WILLOUGHBY: I think it is desirable that we should have the actual applications.

By Hon. Mr. McLennan:

Q. Also the payments?—A. The individual files will show the payments.

By the Chairman:

Q. That receipt from Dr. Shillington indicates that he paid this money before the claims were assigned to him?—A. It was before the leases were issued at all; he paid it on the 21st of December, as soon as we could compute the area of the locations they had staked out.

By Hon. Mr. Watson:

Q. And the transfer?—A. And the transfer was registered with us on the 22nd of January last.

By Hon. Mr. McLennan:

Q. And that completed the transaction?—A. Yes, sir. That is all we have; that completes the correspondence.

By Hon. Mr. Watson:

Q. Those individual leases will show the transfers, will they?—A. They will show the transfers, yes—do you mean will the transfer be on the file?

Q. Yes?—A. No, the transfer won't be on the file. Of course, it can be placed on the file if that is desired. They are all taken off and put in the vault; all documents of title are filed in the vault.

Q. You had better make copies?

By Hon. Mr. Michener:

Q. Is there any method of disposing of coal lands other than by lease?—A. There is only one other method and that is by permit; that is only intended for farmers to acquire a very limited area, as the largest area they can get is three acres.

Q. Does the Government ever sell lands with the coal rights?—A. The regulations for sale were rescinded in 1906.

Q. I notice by this Order in Council that this company acquired not only the surface rights, but the underground right in connection with the West View Ranch Company?—A. Yes.

Q. Evidently they obtained the coal mining rights as well as the surface rights?—A. Yes, but they acquired them in 1906.

Q. The Order in Council was dated 1919.

Hon. Mr. McCLENNAN: In March, 1907, they were permitted to acquire.

By Hon. Mr. Michener:

Q. Under coal mining regulations then in force; but they had defaulted, and in 1911 the amount which they had previously paid was applied on the purchase of a certain portion of this and they were also given the mining rights by this Order in Council?—A. Yes.

Q. As of that date. But at the present time there are just the two systems of disposing of coal lands?—A. Yes, by lease and by small permit.

Q. In regard to the timber, they put it up for auction?—A. Yes.

Q. Do you think in the case of a coal area which is known to be of very great value that it would not be a good policy to give as much or approximately what those coal areas are worth, by competition, the same as in the sale of timber lands?—A. As a matter of fact I do not think that competition would be induced in connection with coal.

Q. I mean a known, proven property?—A. It might be in connection with proved lands. If there was a certain quantity of coal in sight, they might get a small bonus for it. Coal lands have not been in very great demand.

By the Chairman:

Q. This is a special deposit of anthracite or semi-anthracite—or did you know that?—A. I may say Mr. Chairman, Dr. Hoppe told me so many stories that I did not know what to believe. I knew there was a good deposit of coal there; it was reported to be a good deposit of coal.

By Hon. Mr. McLennan:

Q. He was of an optimistic disposition?—A. Well, he was trying to sell his property.

Q. Not through you?—A. Oh, no.

By Hon. Mr. Watson:

Q. He certainly had confidence; he paid \$18,000 in six years.

By Hon. Mr. McLennan:

Q. In the House yesterday we heard a statement from a mining engineer who had made a personal examination of the property. There were various figures showing that the coal was of a very high quality and that the property had been so far prospected that they knew the dip of the coal; they knew the character of the roof and the floor and the analysis of the coal, all of which of course are vital elements; and also that a very considerable part of it was above water level, therefore reducing enormously the cost of getting the coal. But that, you say, did not come to your knowledge except through word of mouth from Dr. Hoppe?—A. Yes.

Q. It would not have altered the action of the Department in a case like that?—A. So far as I know it would not.

Q. If there had been any difference the Minister would have dealt with it?—A. Yes.

By Hon. Mr. Michener:

Q. This inquiry naturally involves to a certain extent the policy of the Department. Alberta has a great deal of coal; it is practically underlaid with coal; but the majority is soft, lignite; there is a limited quantity of anthracite coal. I understand the Government have had engineers from the Mining Department over this property, and there is a report upon this territory as to where this coal area is; and a few thousand dollars possibly has been spent in connection with this district in getting reports as to the superior quality of this district so far as coal is concerned. I think it would be good work on the part of the Committee if they could ascertain in the case of a coal lease of such a nature as this appears to be, where it has been practically proven that there has been considerable expenditure by the lessees, and where they have finally defaulted, whether there is not some other policy that the Government could adopt whereby the people of the province and the Dominion could benefit. Is it necessary that this valuable property, worth millions to a private interest, should be secured by private interests without valuable consideration? I think it would be well to ascertain whether there is not some better policy to secure to the public the benefits that the private interests are now getting from the lease which they have acquired. In the case of timber areas they are put up to auction; in the case of land, it is put up to auction. If a coal area is known to be valuable and reports to the Government show that it is exceptionally good coal, and that the lessee has spent thousands of dollars in improving it, and it then comes back to the hands of the Government, surely there should be some protection of the public

interest in connection with such matters?—A. Of course, this coal area lies at a considerable distance from any means of transportation, and for that reason was not considered to be of so great value as if it lay near a railway. It may be a long time before it is developed.

Hon. Mr. McLENNAN: A coal property anything like that within reach of the consuming public would be worth a stupendous amount of money.

By Hon. Mr. Blain:

Q. There is a royalty paid?—A. The annual rental of \$1 per acre, forever, and 5 cents a ton on the coal mined; the province also collects 5 cents a ton.

By Hon. Mr. McLennan:

Q. In addition to the rental of \$1 per acre?—A. Yes.

Q. Have you only coal, or have you the metals?—A. All the minerals.

Q. If one were fortunate enough to strike on high grade copper in the Yukon or elsewhere, they would get that on the same basis?—A. The discoverer would have the right to take out a claim of the regulation size, 51.65 acres.

Q. And of course there is a royalty in the case of copper?—A. Yes. It is provided in the regulations; but it is not being collected at the present time.

By Hon. Mr. Bostock:

Q. Will it take long to get out what I asked for, or the dates at which other leases had been cancelled?—A. I did not see your question, Sir. You are asking for parallel cases to this—other cancellations?

Q. Yes. Of course, if you get a list of all of them—

By Hon. Mr. McLennan:

Q. Coal leases from 1913 to 1919?—A. Of course, we can very readily look up all the coal leases cancelled between the dates you mention. That would be very simple. It would depend upon how much information you require in connection with each. We would have to get out individual files and search out the information.

Q. All we want is the date that the rental became finally due, and the date of cancellation?—A. Well that would not be a difficult matter. Our records would show that at once.

By Hon. Mr. Michener:

Q. I would like to ask, Mr. Rowatt, whether you know of any other requests which have been made for extensions of time in the payment of leases that have been refused?—A. Oh, a great many applications for extensions of time have been refused, and two extensions similar to the one asked for there were refused, not one granted.

By Hon. Mr. McLennan:

Q. During the war?—A. Yes. The end of the war looked a long piece away, and the Minister decided that no such indefinite extension could be granted to anybody.

By Hon. Mr. Michener:

Q. But none were cancelled in such a short space of time as this?—A. Not any that I can recall; I do not think any prominent ones.

Q. In your opinion do you consider that the first lessees of this property were treated as fairly as they were entitled to be treated, or as is usual in connection with such matters?

Hon. Mr. BARNARD: Do you put this witness in the position of giving an opinion on that?

By Hon. Mr. Michener:

Q. In your opinion did he receive the usual treatment accorded to lessees when that proportion of expenditure had been undertaken?—A. As a matter of fact, we never had a case just like that, and you could not venture an opinion.

By Hon. Mr. Blain:

Q. This was a request for an extension of time for payment until the close of the war?—A. Yes, sir.

Q. Did I understand you to say that you had many such requests?—A. Oh, yes.

Q. Along the same line, and that they were all refused?—A. They were all refused so far as I know.

Q. There was no exception in this case?—A. No. No exception that I know of.

By Hon. Mr. McLennan:

Q. But at the same time extensions were given to other people for lesser periods of time?—A. For a definite time. We generally insist on their paying 25 per cent of the amount due in order to get an extension for one year; and we stuck to that pretty closely.

By the Chairman:

Q. These people did not get any change at all?—A. No, they were not asked to pay 25 per cent. They were asked to pay the rental. Where the lessee did remit 25 per cent occasionally he got an extension for a year.

Col. A. T. THOMPSON, (representing Dr. A. T. Shillington and Mr. C. A. Barnard). Mr. Chairman, you said at the meeting this afternoon that Mr. Guthrie was to be here to-night.

The CLERK OF THE COMMITTEE: I could not locate Mr. Guthrie nor Dr. Shillington.

Col. THOMPSON: I can tell you about Dr. Shillington; he is out of town. As for Mr. Barnard, I got him on the long distance telephone, and he should be here to-morrow night. If you are going to call Mr. Guthrie to prove that he was not the solicitor for these people, then I would like to ask Mr. Rowatt some questions, if the Committee think that is an important point. The witness has already stated that he communicated with Pringle and Guthrie for the reason that Dr. Hoppe said that any communication he had—

The CHAIRMAN: He has already told us that while he has done that, Mr. Guthrie notified him that he was not the agent.

The WITNESS: Within the last few days, since this matter came up in the Senate.

By the Chairman:

Q. When you sent him this notice advising cancellation, I thought he notified you then?—A. Not in writing, and I do not remember him telling me verbally.

Col. THOMPSON: I do not think it is necessary to go into that, unless Mr. Guthrie gives evidence. If he does, I would ask that Mr. Rowatt be re-called on that point.

There is just one thing more, and that is in regard to this file. Does that remain in the custody of the Committee?

The CHAIRMAN: Does the Committee require that? The reporters will require it to extend their notes.

Col. THOMPSON: I do not know but what some members of the Committee might like to examine the file themselves.

Hon. Mr. MICHENNER: I think we should have the file for a reasonable time, say until the next meeting of the Committee when Mr. Rowatt will appear with the other file.

Hon Mr. BOSTOCK: Then we will not be able to get that answer.

Col. THOMPSON: Would I have the same opportunity as others would have of examining that file, when it is not being examined by some member?

The CHAIRMAN: I see no reason why he should not.

Hon. Mr. McLENNAN: That would be a matter for the department to say.

The CHAIRMAN: It is a departmental file. I think you had better leave that matter for the Committee to decide upon.

By Hon. Mr. McLennan:

Q. Do you know of any intimation of the facts. The first disclosure of the facts in connection with the cancellation was to the registrar and not here in Ottawa at all?—A. No.

Q. That the lease was cancelled?—A. Your question is—

Q. Well, was there any disclosure of the fact that the lease was cancelled on the 1st of August, when it was decided, or after that time, to anyone in Ottawa or elsewhere?—A. There was not any made by me.

Q. No?—Or as far as you know?—A. As far as I know. I am not aware of any such disclosure being made.

Q. You are speaking both officially and personally?—A. Yes.

By Hon. Mr. Willoughby:

Q. There would be no impropriety in anybody in your office stating that the lease was cancelled, after it was cancelled, or in having access to your books?—A. Well, had any one asked us we would have informed them officially that it has been cancelled, at any time after the cancellation took place. There is no secret about that.

By Hon. Mr. Bostock:

Q. That would not be before the 1st of August.

By Hon. Mr. McLennan:

Q. It was not public property?—A. It was not public property, but anyone could get that information.

Q. Would anybody in the department feel at liberty to disclose that or would it have to be through you or your superiors, the deputy minister or the minister?—A. I do not think it would be improper for any clerk in the department, if they had been asked, to say that certain lands were cancelled in our records, although it is not customary for them to do so.

Q. Would it have been proper for them to have volunteered the information?—A. It would be quite improper, in my estimation.

Q. But if they were asked, would you say it was quite proper for them to say that it was?—A. I think it would be improper for them to give that advice in any way other than by official communication. I do not think it should be given out verbally, and I do not think it is the purpose of the department to give out information of that kind verbally, unless at a very late date probably.

By Hon. Mr. Watson:

Q. Have you any knowledge, Mr. Rowatt, of any of the clerks of your department giving out information as to the dates when leases will be due and may be cancelled?—A. No, I never heard of that being done. As far as I am aware it has never occurred.

By Hon. Mr. McLennan:

Q. It has never come to your knowledge that there was any question of that?—A. I would probably have heard of it. The clerks go through the thing in a routine way,

and I do not think many of the clerks notice. It is all in the day's work, and I do not think they pay much attention to it.

By the Chairman:

Q. Mr. Rowatt, were there any inquiries regarding these coal lands, around the city here, before the cancellation proceedings were taken?—A. There were no inquiries made to me as far as I can remember. I had a number of persons complaining that lands were held as they were held, or representing that they had been held by a German, but never any inquiry as to cancellation or anything of that kind.

Q. If these lands had really been held by a German, if the money invested was really German money, would not the Government have been justified under the War Measures' Act in cancelling, or rather in confiscating and taking over these lands for the Crown?—A. Yes, or placing them in the hands of the Custodian of Alien Property.

Q. The Government did not do that?—A. No. The lands stood in the name of Mr. Isenberg. He was not known to have been an alien enemy.

By Hon. Mr. Watson:

Q. The name would sound badly enough?—A. Yes, but the property stood in the name of Mr. Isenberg, but I assume that those who complained recognized the fact that it really belonged to Mr. Hoppe.

Q. Is not one name about as bad as the other?—A. They are both from east Prussia.

By Hon. Mr. McLennan:

Q. What is Dr. Hoppe's first name?—A. Reinholdt. He was born in east Prussia and his family lived there.

Q. But he is reputed to be an American citizen?—A. Well, he told me he was not an American citizen.

By Mr. Blain:

Q. Is there any letter of correspondence on that file between the department and Sir Percy Sherwood?—A. There is a communication on the file.

By Mr. McLennan:

Q. Would you let us have that?—A. There is a letter and a reply.

By Hon. Mr. Blain:

Q. Read them both, please —A. The letter is dated the 29th of May, 1918.

"MY DEAR SIR PERCY,—We have been in correspondence regarding Paul R. Isenberg and Dr. Reinholdt Hoppe, who are interested in certain coal mining leases in the junction of Muskeg and Smoky rivers—see your file 16-4-18, H. 15.

"In this connection, I may say that on the 15th instant the rental for the current year of seven of these leases, amounting to \$16,320, became payable, but no payment on account of this rental has yet been received. It is the practice of the department to write to the lessee in case payment of rental is not transmitted promptly. Before doing so, however, I am taking this opportunity of consulting you in order to get the benefit of your views as to whether the usual departmental action should be taken in this connection.

"Yours very truly."

Hon. Mr. BARNARD: From whom is that?

By the Chairman:

Q. It is signed by?—A. It is not signed. The name of the person signing is not here, but the reply is addressed to the deputy minister, so I assume this is a copy of the deputy minister's letter.

Q. What was the date of that?—A. That was written on the 29th of May, 1918, and the reply is dated the 31st of May, 1918, and it is addressed to Mr. Cory, Deputy Minister of the Interior.

"Re Paul R. Isenberg and Dr. Reinholdt Hoppe.—I am in receipt of yours of the 29th herein, and in reply thereto have to say that I have no further information in regard to these persons to offer. I presume the department, following the usual practice, should notify the lessee, and failing prompt payment, which is unlikely, I do not think in view of what we know of the gentlemen that they should receive any great consideration."

"Yours very truly,

"(Sgd.) A. P. SHERWOOD."

Hon. Mr. McLennan: It is a little odd that the Chief of the Dominion Police should be recommending the deputy minister of the department about the cancellation of leases.

The CHAIRMAN: Sir Percy Sherwood refers to both of these men in that letter, does he not?

Hon. Mr. McLennan: Yes; he was asked about them.

By the Chairman:

Q. And we are told that one of these men is an American citizen—Isenberg?—A. Isenberg; it is claimed he is an American citizen.

By Hon. Mr. Watson:

Q. Have you any idea of what led up to that correspondence?—A. I have no definite knowledge as to what led up to it.

Hon. Mr. Bostock: Those are the only two letters on the file?

By Hon. Mr. Barnard:

Q. The only letters referring to it?—A. The only ones referring to that particular phase of the case.

By Hon. Mr. Watson:

Q. Are there any other letters?—A. There is no other correspondence to or from Sir Percy Sherwood.

By Hon. Mr. McLennan:

Q. Or from the military intelligence?—A. There is nothing else so far as I know dealing with his nationality.

By Hon. Mr. Watson:

Q. You say, "dealing with that phase of the case." What phase of the case are they dealing with?—A. The other letters I have already read.

By Hon. Mr. McLennan:

Q. In other words you have given us all the facts bearing on the case?—A. Yes, everything that I know about it.

By the Chairman:

Q. You have no idea what prompted the writing of that letter from the deputy minister's office?—A. No, I don't know why.

Hon. Mr. McLennan: We have had Mr. Rowatt for a long time.

Mr. Rowatt: That is all right.

The CHAIRMAN: And if we want Mr. Rowatt we can call him again. The understanding is that we keep those files.

Mr. ROWATT: Both files?

The CHAIRMAN: The files that we are using.

Mr. ROWATT: I used only one. I had another file.

By the Chairman:

Q. But you did not use that. What is in that? Is there anything bearing on this?—A. This is just the general file of A. T. Shillington and other gentlemen.

Hon. Mr. McLENNAN: Perhaps there might be something in that that would be interesting.

The CHAIRMAN: Leave both and the secretary will take care of them.

By Hon. Mr. Michener:

Q. Have you any other files referring to these leases, relative to this question?—A. No other files excepting the eight individual files that I have mentioned.

By Hon. Mr. Watson:

Q. Which you are going to produce?—A. Which I am going to produce, and the eight files of the Dr. Hoppe connection. They have eight individual files. They contain just routine correspondence.

By Hon. Mr. McLennan:

Q. You have no further memorandum from the deputy minister or the minister in relation to this?—A. No. Everything that I know about the case—

Q. Everything that you know about the case you have given us?—A. Yes.

Q. Or will complete with these other files.

Hon. Mr. BLAIN: Mr. Chairman, I suppose there would be no objection to Col. Thompson looking over these files in the hands of the secretary?

The CHAIRMAN: I do not know. It is a question whether the department would want him to look at the files. I would not like to take that responsibility. What does the committee think? I know the departments are very jealous of their files.

Hon. Mr. BARNARD: It seems to me that it is only fair under the circumstances that he should be allowed to see them.

Hon. Mr. BLAIN: That is what I think. He is interested. Would there be any objection at all?

Hon. Mr. MICHENER: Mr. Chairman, I do not think there is any objection, provided he examines the file in the presence of the secretary.

Hon. Mr. BLAIN: Of course he must do that.

Hon. Mr. WATSON: We must not take any chances with the file.

Hon. Mr. BLAIN: That will be understood.

The CHAIRMAN: Yes, if it is the will of the Committee.

Hon. Mr. BOSTOCK: Is there any usual procedure about these things?

By the CHAIRMAN: Mr. Rowatt, you have some idea of the procedure. Is there any objection to this?—A. Well, the department never shows files to an individual—the files of any other person; but it would be quite a different matter when these files are taken from us and are before a committee of the Senate, and I should say it would be for you to judge.

By Hon. Mr. Bostock:

Q. For the committee to decide?—A. For the committee to decide.

Hon. Mr. WILLOUGHBY: I think Mr. Thompson has a right to see these files.

Hon. Mr. McLENNAN: We have great powers. Whether we could delegate those powers—not that there is as far as I can see, anything objectionable—but whether we would have the right to delegate those powers to anyone else is a question. Col. Thompson could have the evidence, which would contain the letters.

Hon. Mr. BLAIN: Well, for my part, as a member of the committee I could not see why they should be refused. Col. Thompson is here and has heard the whole matter and is interested. I could not see why any objection should be offered.

Hon. Mr. McLENNAN: Except that certain confidential information is made known to the Senate Committee. It demands certain things which Mr. Rowatt, for example, tells us, but which are not disclosed in ordinary returns to Parliament.

Hon. Mr. BARNARD: There is nothing confidential about this investigation, Senator McLennan. This is an open investigation.

The CHAIRMAN: There is a great deal in those files, Mr. Barnard, a great deal that has not been discussed here at all and that is private. However, it is a matter for the committee.

Hon. Mr. McLENNAN: We might inquire from the Deputy whether there was any fundamental objection?

Col. THOMPSON: I hate to press this, yet you can understand that I want to safeguard the interests of my clients. Suppose that one of you gentlemen asked Mr. Rowatt to read the whole file, he would do so, and I would be present.

Hon. Mr. WATSON: It is not that, but I think the Committee has to be careful in dealing with these files. You know some people who would come in here who you would not trust a file with. I think without our making any official motion it can be easily understood that in the presence of the Clerk Mr. Thompson can look through the files, but I think it is understood we should not let any counsel look through the files alone.

The CHAIRMAN: I think that is understood.

THURSDAY, 26th June, 1919.

D. B. DOWLING, of the Geological Survey, Department of Mines, appeared as a witness before the Committee, and, having been duly sworn, testified as follows:—

By the Clerk of the Committee:

Q. You are a geologist in the Department of Mines?—A. Geological Survey, Department of Mines.

By Hon. Mr. Bostock:

Q. You have heard of the property that has been discussed here?—A. Yes, sir.

Q. Have you ever examined it yourself for the Department?—A. I have not personally examined it, but I obtained an engineer and sent him in to get the information for the Geological Survey, because we are a bureau of information in a way to the investing public, and we try to inform ourselves of the values of the different coals or other substances being mined.

Q. When did you send this engineer in?—A. 1916. I first heard of the property being put on the market by meeting Dr. Hoppe, who was in Ottawa in 1913. His statement was that he had 80 square miles or thereabouts of anthracite coal lands, and that there was not anything else on the continent in the form of a coal field that would compare in any way with it. That of course challenged me at once. We were short of men, but I got an engineer in 1916 and sent him up through the foothills—it is practically unsurveyed country—and I have brought along his sketch map of this piece of country.

By Hon. Mr. McLennan:

Q. He was a geologist?—A. He was a geologist who had been employed on railway work, on mining and on very many other things.

Q. A man in whom you had confidence?—A. Yes.

By the Chairman:

Q. Who was he?—A. Mr. MacVicar. I believe Dr. Hoppe employed him at one time.

The coal lands and the outer fringe of the Rocky Mountains are located just inside the first limestone range, or in front. In this case we have coal lands in front of a limestone range near Lake Brule. The Lake Brule Coal Company is operating here. The limestone range, however, runs out before we get to the Baptiste river.

Hon. Mr. Watson:

Q. That is running about northwest?—A. Yes, running about northwest. But the Hay river comes out of the mountains and works through in the same way that the Athabaska does to the south. Inside the first range on the Hay river we have a coal basin. The first thing you will notice when you are inside the mountains is a coal seam of some 40 feet thickness—some dirt, of course.

Q. Whereabouts?—A. About here. Forty feet of coal is reported by Mr. MacVicar in one seam. A little further up there is another seam that is 18 feet, what they generally call a 20 foot seam, south of the Baptiste river. Then, following the Hay river, to the summit of the Baptiste river, there are other coal claims staked out, and there is a report that there is a seam up here 100 feet thick. That has not been very well established. All this coal in this valley is what we call railway coal. It is good seam coal.

By Hon. Mr. McLennan:

Q. High fixed carbon?—A. 65 to 75.

Q. Good coal?—A. Oh, yes. The seams here have been prospected by the C.N.R. Company, or by men for that company.

By Hon. Mr. Watson:

Q. How many miles would that be from the railway at present?—A. About 35 miles. The Canadian Northern made a survey to this point from their line—made a survey for a railway. There are no surveys in here except this made by Mr. MacVicar for us to locate the streams.

Now, around the end of this first range, the rocks are bent in that form (illustrating). They are crumpled up. Around here all these coal rocks are repeated in folds up and down. The best folds which brings up the very bottom of this coal is where Dr. Hoppe has his location. That is the hardest coal, but it is not anthracite; it is semi-anthracite.

By Hon. Mr. McLennan:

Q. 80 per cent?—A. Up to 81—compares with the Canmore.

Q. It is a very high class of seam coal?—A. It is a high class domestic coal; it is smokeless.

Q. How does it run in ash? It is very low in smoke.

By Hon. Mr. Watson:

Q. It passes as anthracite coal. I think I am right in saying it is worth about a dollar a ton less than Pennsylvania coal?—A. It depends upon where it is.

Q. In Winnipeg?—A. I doubt it. You are judging the coal by Bankhead. Bankhead is a coal that is fractured to small pieces from excessive pressure, and also, when

it is in lumps, you can rap it and it will break all up; it is friable. This happens to be not so badly shaken up or pressed. The great value of that seam is the fact that it is a 7 foot seam of solid coal.

By Hon. Mr. White:

Q. How does it stand the air?—A. It has been there seven or eight years; it is there yet.

By Hon. Mr. Willoughby:

Q. The maps you are using have been published?—A. This is an unfinished map, I could not get a man all through the rest of the war, and I am getting this same man to go out again and finish the work.

Q. I don't know whether we could have access to it?—A. I am leaving to-morrow to take this map to him to finish it up.

By Hon. Mr. Michener:

Q. You speak of one seam of 7 feet. Is that the only one of hard coal?—A. No, two seams of 7 feet each. There are three seams above those again.

Q. Five in all?—A. Five in all; three seams of coal that is not quite so hard, and I believe one or two in some places were coke.

By Hon. Mr. McLennan:

Q. They would be away low down, about 65?—A. Yes.

By Hon. Mr. Watson:

Q. Have the shafts been explored?—A. The rocks come up here.

By Hon. Mr. McLennan:

Q. Senator Bostock read a report from Mr. Gilbert, a mining engineer, which, as I caught it, spoke of five seams—I think they had put in five tunnels?—A. This man speaks of the same thing.

By Hon. Mr. Michener:

Q. Your man gives a report, does he, of the work the company has done?—A. He visited the place.

By Hon. Mr. McLennan:

Q. What is the dip there?—A. It would be varying because the seam comes up on this side.

Q. They spoke of a 14 degree dip?

By Hon. Mr. Michener:

Q. Let us have the Government report?—A. "On the Isenberg claims on Smoky river considerable prospecting has been done." He does not call that developing.

Q. It is not developing?—A. "Tunnels have been driven on five of the seams, 100 feet or more in the hillside."

By Hon. Mr. Willoughby:

Q. What is that document?—A. The summary report of the Geological Survey, Department of Mines, for the calendar year 1916, page 91.

By Hon. Mr. Watson:

Q. Does he give an analysis of the coal?—A. It is made in our shops.

Q. You might read that?—A. I can leave the report.

By Hon. Mr. Blain:

Q. Would the putting in of a tunnel be chargeable to prospecting work or development work?

By Hon. Mr. Watson:

Q. Prospecting work surely?—A. Prospecting.

By Hon. Mr. Blain:

Q. What do you know then as to the amount of money that might have been expended on this for development?

Hon. Mr. WATSON: It is all prospecting.

Hon. Mr. BLAIN: The statement was made that \$200,000 was expended, \$117,000 or \$115,000 payable for rent, and the balance for developing. My question is, would shafts put down be chargeable to prospecting or developing?—A. I would consider a shaft more like development.

By Hon. Mr. McLennan:

Q. You sometimes put down an exploratory pit?—A. No, you would bore it; you would put down a diamond drill.

By the Chairman:

Q. Was there anything to indicate in that report the value this man placed on the property? Does he say it is a valuable property?—A. Unfortunately the report is merely a summary of his summer's work, and does not include things he did put in. We wanted to put them in his final report. He gave us an estimate of the amount of coal that he considered was on the property. Is that in the report?—A. No.

By Hon. Mr. Watson:

Q. That is in the Department, is it?—A. Yes, and we hope to publish that next winter.

Q. Is that available?—A. I am afraid not, unless you get it from the Director.

By the Chairman:

Q. Do you know what it is?—A. No, I do not remember it. I remember this, that in the country from here to here, he figures that there is as much coal as there is in the province of Nova Scotia.

By Hon. Mr. Bostock:

Q. It is a varying grade of coal?—A. Certainly.

Q. It is not all as good as this coal here?—A. There is only one other spot that has coal quite of that class.

By Hon. Mr. Blain:

Q. This is among the very best?—A. Yes.

By Hon. Mr. McLennan:

Q. Could you get us that information as to his estimate of the quantity on the property? Or whom would we call for that?—A. I think the best way to get that would be to ask the Director, Mr. McInnes, for the estimate that was in that report.

By the Chairman:

Q. If he has got it we can summon him?—A. There is another point, it may have gone to the Printing Bureau to be printed.

Q. Can you give us any idea what would be your own opinion of that property? You are an expert and are travelling through the country all the time. Is it looked on as a very valuable property?—A. In connection with the railroad. I think without the railroad the value of the property is not anything.

By Hon. Mr. Watson:

Q. Is that the only place that you know of as a geologist where that quality of coal is to be found?—A. I said another, I said Canmore. Canmore is more or less broken.

Q. That is better than Canmore?—A. Yes, this is better than Canmore.

By Hon. Mr. Barnard:

Q. How far is this from the present railway?—A. 70 miles.

Q. How much a mile would it cost to build a railway there? Have you any idea? —A. I do not think that it is extra difficult there; you see, I am not in the railway business and used to figures, but I would not consider it was extra hard to build a railway in that part of the mountains.

Q. Is it a mountainous country?—A. It is foothill country, pretty well cut up with valleys.

By Hon. Mr. McLennan:

Q. Would not this railway run up the river?—A. Up the river and over the summit.

Q. But by and large it would not appear to you to be a difficult place?—A. No.

Q. And the loaded traffic would be down grade?

Hon. Mr. WATSON: Most of the way.

By Hon. Mr. Barnard:

Q. Before this property could be made a valuable property, an income paying property, there would have to be some millions spent, I suppose to build a railway. Before it could be turned into a paying proposition, I don't suppose it would be out of the way to say at least \$5,000,000 would have to be spent?—A. At least.

By Hon. Mr. Michener:

Q. Then, from your information, the best hard coal perhaps in Canada is in Alberta? Do you say that?—A. There is some hard coal in British Columbia that is hard to get at.

Hon. Mr. BARNARD: Where is that? In Ground Hog?

By Hon. Mr. Blain:

Q. What is the nearest railway point to that?—A. Some point at Brule lake, just outside of the mountains, on the Grand Trunk or the C. N. R.

Q. Are there any other valuable coal deposits besides that and the one we have in question?—A. There are valuable coal deposits all the way along.

Q. All along the proposed line of railway?—A. All along the line.

By Hon. Mr. Michener:

Q. But not of the same quality?—A. No.

Hon. Mr. WATSON: Steam coal.

Mr. DOWLING: Steam coal all the way along. The point about having steam coal all along is that your railway is furnished with the coal for itself, and it also can in slack times carry a little coal for freight.

By the Chairman:

Q. This will make a good domestic coal, this hard coal?—A. Yes.

By Hon. Mr. Blain:

Q. My point was that the statement was made in the House that there were other reasons for the construction of a railway—reasons other than the getting out of this coal. My point was as to whether or not there was likely to be any development of the softer coal between the points mentioned?—A. Quite probably.

Q. I did not know.

By Hon. Mr. Watson:

Q. The railway companies at the present time have steam coal right along the track. The railways up there are developing their own coal at present?—A. There are two mines.

By Mr. Bostock:

Q. What are the two mines which they are using, which are open and being worked?—A. The mines are Pocohantas and Roch Muette.

Q. It is not as good coal?—A. I would not say as to that.

By Hon. Mr. Barnard:

Q. Have they railway communication?

Mr. DOWLING: It is not as good coal as the coal at the point we are speaking of.
The CHAIRMAN: Not as good hard coal.

By Hon. Mr. Barnard:

Q. Have these properties railway communication?—A. Yes.

Q. On what—The Edmonton and Dunvegan?—A. One on the Canadian Northern and one on the Grand Trunk.

By Hon. Mr. McLennan:

Q. Directly on their line?—A. Yes.

By Hon. Mr. Michener:

Q. Can you give us any information as to how the first lessees ascertained the superior quality of this coal in the first place? Any information as to how the first lessees ascertained the superior quality of this particular location of the coal?—A. That would only be hearsay, Mr. Chairman.

By Hon. Mr. Watson:

Q. What information did you get as to the necessity of sending an engineer there to make a report? You say you sent an engineer after you had heard certain reports?—A. My word was there was a small area there—

Q. Was it on account of what Hoppe told you?—A.—with a certain high-grade coal, but it was not all anthracite.

Q. Was it on account of what Dr. Hoppe told you that you sent an engineer there?—A. Oh, yes, sure.

Q. On Dr. Hoppe's information you sent an engineer in there?—A. Yes.

By Hon. Mr. Michener:

Q. They secured information through their own mining engineers?—A. They had the information before they turned it over in their mind and gave it out to me in different shape, that is all.

Q. They must have spent a lot of money in ascertaining the value of this particular location? That is the point I am trying to get at. In all that rough country they would have to go through in order to locate on this particular place where coal

was of superior quality, they would have to do a lot of prospecting and work, and go to a lot of expense in getting this location, would they not, necessarily? That is, they would have no Government reports?—A. I would not make it up quite in the same way. I would say that somebody here in Ottawa with lots of money to invest would buy a property that was offered to them, and that he had done a lot of prospecting to get that—somebody had done a lot of prospecting to get that, but it was offered to him for a certain sum and he took it. That is all there is to it.

By Hon. Mr. McLennan:

- Q. You mean Dr. Hoppe?—A. Yes. I mean the original locators.
Q. Before 1912 somebody went up there?—A. In 1908.

By Hon. Mr. Watson:

- Q. The man who discovered that was a lucky prospector?—A. He was one of the ordinary prospectors.

- Q. And struck luck?—A. Yes, he came out and got a good figure for it.

By Hon. Mr. Barnard:

- Q. Do you know what Hoppe paid for it?—A. No, I do not.
Q. Have you any idea how much he spent on development?—A. He could not have spent much over \$50,000.

By Hon. Mr. Bostock:

- Q. That is, in driving those tunnels?—A. In driving those tunnels. I think I could do it myself for that.

Hon. Mr. MCLENNAN: Of course there were his surveys, getting people up there, and so on. I mean he got an expert, good or bad, from New York, and paid him for a report. Then there would be the cost of the 5,000 feet tunnels, 75 miles from a railway. The expenditure would run into a little bit of money.

The CHAIRMAN: This is not important. What we are trying to get at is the irregularity, if there is any.

Hon. Mr. MICHENER: But I understand from Mr. Dowling that Dr. Hoppe paid a considerable sum to get these concessions in the first place, from some prospector who was lucky enough to locate this good coal, and they proceeded to get an engineer up from New York to write a report on it, and to sink these shafts.

Hon. Mr. WATSON: For the tunnels.

By Hon. Mr. Michener:

Q. Their purpose evidently was to re-sell. I understood Mr. Dowling to say that Dr. Hoppe's object was, if I am not mistaken, to put it on the market?—A. Oh, well, that might mean shares.

Q. Have you any idea what Dr. Hoppe thought the value of the property was?—A. No; I couldn't see as far as he could.

Q. But he thought it was very valuable, I suppose?—A. Yes—oh, very valuable.

Q. But he did not express an opinion as to how much it was worth?—A. He might have, but I have forgotten now.

Hon. Mr. BARNARD: Hundreds of millions. Did you never live in a mining country?

By the Chairman:

Q. You know that the estimate made by this Engineer Gilbert was 200,000,000 tons of coal. Would you say that that would be a fair estimate or an excessive one?—A. Well, here is an idea. Suppose that he had a block of land three miles by six.

Hon. Mr. WATSON: He had more than that.

Mr. DOWLING: That is eighteen square miles. The acreage there is, as I have it, 11,000 acres.

Hon. Mr. WATSON: It was 18,000.

Mr. DOWLING: Listen to my estimate of 11,000 acres. If he had a foot of coal over that, he would have, say on each foot on each acre 1,000 tons. That is a rough, rough way of doing it. In that way he has got 440,000,000 tons. So that the man's estimate is not excessive.

By Hon. Mr. Watson:

Q. What is the thickness of those seams?—A. The hard seams are seven feet each.

Q. How many are there of them?—A. Two.

Q. And what else?—A. There is another one fifteen feet.

Q. Is that semi-anthracite?—A. No.

Q. Bituminous?—A. Probably steam coal.

Q. Now, he is speaking of eight and nine, and I am speaking of seven. Of course that is just what I had put as being the actual working thickness. No doubt he has got eight feet there. So that he is not above the mark in that respect.

The CHAIRMAN: When he says he has 200,000,000 tons he is not overstepping the mark. Is there anything else now, gentlemen?

By Hon. Mr. Bostock:

Q. This information that you have about this property now is not sent over to the Department of the Interior at all? They do not get it unless they specially inquire for it?—A. They very seldom ask for that sort of thing.

By Hon. Mr. McLennan:

Q. That is, it is not part of your duties to call the attention of the Interior Department to any information of this kind?—A. The only time the Interior Department ever want to know is when their engineer cannot visit the mine to see how much coal has been taken out. They have to send a man around to see how much has been mined. That is all they are interested in.

By Hon. Mr. Watson:

Q. That is for royalty?—A. Yes.

By Hon. Mr. McLennan:

Q. They do that by measurement?—A. Yes.

Q. What I meant was this: If you in the course of the surveys and explorations of the Geological Survey come across evidence of mineralization, or of coal, it is not considered part of your duty immediately to acquaint the Interior Department with those facts?—A. Well, we would if we thought there was any reason for it or any necessity for it at all.

Q. But there is no regulation establishing a system of keeping in touch?—A. Oh, no; we receive the information in various ways.

Q. But it is not part of your duty to keep them apprised of different developments that might be of interest to them, as to the value of any lands?—A. We go over to one another's office every once in a while.

Q. That is just friendly, but it is not an organized system?—A. No.

By Hon. Mr. Barnard:

Q. You give out information? For instance, a report like that of Mr. MacVicker's is open to the public, practically, is it not, for the benefit of anyone who wants to get it?—A. In this way: we like to put it into form—correct his grammar and fix up the maps, etc., before giving it to the public.

Q. But anybody, for instance, hearing of a particular property such as this one, could go to your department and you would give him what information you have about it, would you not?—A. Yes, we are doing that every day.

By Hon. Mr. Bostock:

Q. At what particular stage? Would you give it out before it was published in blue book form?—A. We may not give out the actual plan, but we will try to satisfy the man in some way.

Q. To tell him all you know about the property?—A. Yes.

By Hon. Mr. McLennan:

Q. In other words, if I were an Englishman coming out here with a fancy for coal mining and went to the Geological Survey and asked, "Where are there any coal areas?" You would tell me?—A. Well, we are publishing maps and reports of this kind all the time and trying to tell the public what they are.

Q. The information you get is at the service of the public?—A. Yes. I may say there is a certain amount that we do not feel at liberty to give out; that is, information given us in confidence by men doing certain things. For instance, a man drilling for an oil well; if he does not strike oil, he does not want everybody to be bothering him about what he got.

Q. No, but that would be on his property?—A. On his property. Very often we get the information because we say to them: "Now, we can use that information in advising somebody else, and it won't hurt your property in any way, nor will it be ever known, probably, that we gave that information out to these people."

By Hon. Mr. Barnard:

Q. If a man came to you—take this concrete case: Suppose a man has heard of this property and he comes to you and asks you what you know about it? I take it you would tell him what you know?—A. I would turn up all these maps.

Q. And show them to him and show your report?—A. Yes.

Q. Any data you have, you would let him know?

By Hon. Mr. Blain:

Q. Mr. Dowling, did you know anything about this cancellation of the leases? Did it come to you in any way officially?—A. It does not come to me at all officially.

Q. But did it?—A. It does not need to come to me.

Q. That was not the point. I mean, did you hear anything about the goings-on?—A. I did not know it was cancelled until a week ago or two weeks ago.

Q. I am asking you whether or not you were consulted in any way officially?—A. No, no. I did not hear that question. No, I was not consulted in any way.

Q. Did you know anything about it at all?—A. No.

Q. Nothing whatever?—A. Nothing at all.

By Hon. Mr. McLennan:

Q. Had anyone been to you asking for information about this property in the last year or two? Do you happen to remember?—A. The last request for information was about two years ago. Now, I would not like to have that put down as definite, because it was in such an indefinite form; an inquiry from Chicago from a brokerage firm: What did I know about Dr. Hoppe, and has he a coal property, and is it any good—something like that, in a very vague form.

Q. That is a couple of years ago?—A. Yes.

By Hon. Mr. Blain:

Q. Did you reply to that?—A. Oh, yes.

Q. By letter?—A. Just a note—just a note that Dr. Hoppe had not been in the country for some time; I had not seen him since 1913, I think it was, but that he had, as I understood, a coal property, and I think I sent them this report as the answer.

Q. How long ago would that be?—A. That would be two years.

FRIDAY, June 27, 1919.

W. W. CORY, C.M.G., Deputy Minister of the Interior, appeared as a witness before the committee, and, having been duly sworn, testified as follows:—

By Hon. Mr. Bostock:

Q. Mr. Cory, you know about these leases that were granted to Dr. Hoppe in the year 1912?—A. Yes, sir.

Q. They were located and assigned to Paul R. Isenberg, who was known to be connected in business with Dr. Reinhold Hoppe?—A. As far as I understand the matter they were located in the name of Dr. Hoppe, or by him, but assigned to Reinhold Hoppe as security.

Q. To Isenberg?—A. To Isenberg. They were located either by or on behalf of Dr. Hoppe and in his name. Is that right, Mr. Rowatt?

Mr. ROWATT: They never appeared in the name of Hoppe.

By Hon. Mr. Bostock:

Q. Did you know that Dr. Hoppe was arrested in October of 1914?—A. No, I did not know anything about that.

Q. On the 18th of May, 1917, Dr. Hoppe wrote to Mr. Rowatt, as controller of the department, and asked if he could be allowed to make some arrangements; apparently he had difficulty in raising the money to pay these rentals?—A. Yes.

Q. And a memo. was written by Mr. Rowatt which was addressed to yourself. If you like I will read it. It says in that memo.:—

"It has been the practice of the department before considering the granting of an extension of time within which to pay rental to require the lessee to remit at least 25 per cent of his indebtedness with interest on arrears. I think that Dr. Hoppe might be advised that upon receipt in the department, within thirty days from the date of notification, of at least 25 per cent of the amount due for rental together with interest to the date of payment, amounting in all to about \$4,800, he will be granted a short extension of time within which to pay the balance."

"In case the partial payment referred to is made within the time specified, I think the lessee might be given up to the 1st of November next to pay the balance due for rental. If, however, the partial payment referred to is not made, I think the department might be justified in giving the lessee thirty days within which to make the payment, or to show cause why the leases should not be cancelled for failure to do so. In the event of payment not being made or cause shown, I think these leases might be cancelled after sixty days' notification."

That has "Recommended, J. A. Cote," signed on it?—A. I didn't see that.

Q. That is dated the 28th of May, 1917?—A. Yes, I understand the cancellation took place in 1918.

Q. Yes, but this was in 1917?—A. There is no question about 1917; he paid his rental for 1917.

Q. The point is that the practice of the department is that they allowed Dr. Hoppe on that occasion to pay 25 per cent of the rental?—A. Yes.

Q. And extended his time till the 1st of November?—A. That is quite true.

Q. That was apparently carried out and the money was paid; so at that time the department did not show any particular desire to be hard on Dr. Hoppe?—A. No.

Q. They were anxious to treat him reasonably?

By Hon. Mr. McLennan:

Q. Might I ask if the rental in 1917 was paid regularly in full, without taking any advantage?—A. Yes, paid in full.

Hon. Mr. BOSTOCK: The receipts here show, Senator, that Dr. Hoppe took advantage of that statement. First of all he paid \$4,830; and then on the 6th of November there is a receipt from the Canadian Bank of Commerce for the sum of \$14,397.09 on account of rentals and interest and so on, so apparently he took advantage of that condition, as he was allowed to do.

By Hon. Mr. Bostock:

Q. Then, on the 4th of December, 1917, there is another memorandum from Mr. Rowatt, addressed to you?—A. Yes.

Q. In which he states:—

“The rental is at the rate of \$1 an acre per annum, and the lessees have paid to date on account of rental and interest the sum of \$114,359.91, being at the rate of somewhat more than \$600 an acre for the entire 29½ square miles.

“While the lessees claim to have incurred an expenditure of over \$100,000 in staking, surveying and prospecting these locations, there is nothing to indicate that any development work has been carried on. The locations lie far beyond the means of transportation, and it will probably be many years before the coal could be commercially utilized.

“While the leases stand recorded in the name of Mr. Isenberg, I understand that it is for collateral purposes and that the real owner is Dr. Reinhold Hoppe, of Oakland, California. The rental has been paid in full up to the 15th of May, 1913, the annual rental being at the rate of \$18,880.

“I attach hereto a map of a portion of Alberta, showing the coal mining locations disposed of. The tract referred to in this memorandum is shown within circle.”

Then on the 22nd of December there is a memorandum from you to Mr. Rowatt having reference to the leasehold of Mr. Isenberg and Dr. Hoppe. It says:—

“I wish you would make a special note that any correspondence relating to these men is to be referred to this office.”

—A. Yes.

Q. Can you give the reason of that?—A. I can. It was confidential information which I received from Colonel Sherwood. I have the documents here; they are marked “Confidential.” If you would like me to show them, I will.

By the Chairman:

Q. I think you had better?—A. First of all I may say that about the third of December Colonel Sherwood called on me and asked me if I knew anything about some coal lands owned by two Germans out in Northern Alberta. I said I did not know anything about them. He said they were pretty bad actors, and that sort of thing, and had a lot of property out there, and while they had made a lot of money, there was a suspicion that this land might be held for the Kaiser or some such purpose, and asked me to get some information about it. I therefore telephoned Mr. Rowatt, and he sent that memorandum which I sent to Colonel Sherwood. I sent that by letter dated the 5th, I think, of December, 1917.

“My Dear Sir PERCY,—I am now enclosing the memorandum and map which I promised you yesterday afternoon. I trust the information contained will be sufficient for your purpose.

That was acknowledged by a letter marked “Confidential.”

“Dear Mr. CORY: I am in receipt of yours of the 5th instant with enclosures from Mr. Rowatt, regarding the mining leases held in the name of Paul R. Isenberg, and in which Dr. Reinholdt Hoppe, of Oakland, California, is interested. The infor-

mation is very complete and I am now taking steps to find out what manner of man is Isenberg, and I will endeavour to collect other information which may be of value to you later if you are called upon to consider the leases."

Then on the 12th of December he wrote me this way:—

"Having reference to our previous correspondence, herein, a telegram from the British Consul, at Honolulu, to Sir Joseph Pope, is as follows:—

"Your telegram 7th December, financial condition of Isenberg considered good enough. I have unfavourable impression of him and Hoppe and believe that both alike anti-British. Will telegraph further."

On December 18th Mr. Gordon, who I assume was the British Consul at Honolulu:—

"With reference to my telegram December 10, and yours of December 7, my opinion of the utter untrustworthiness of Isenberg and Hoppe, both of whom work for Germany is confirmed by further inquiries."

Upon that I sent Mr. Rowatt this memo.—I acknowledged receipt of those three to Sir Percy Sherwood, then I sent that memo. which you find on the file of the 22nd of December:—

"Mr. Rowatt: Having reference to the leasehold of P. R. Isenberg and Dr. Reinhold Hoppe, I wish that you would make a special note that any correspondence relating to the men is to be referred to this office."

Then on the 29th of May when the question came up as to the cancellation of these leases, or the report was made, I think, that they were in arrears, I wrote this letter to Sir Percy Sherwood:—

"My dear Sir Percy:

We have been in correspondence regarding Paul R. Isenberg and Dr. Reinhold Hoppe who are interested in certain coal mining leases near the junction of Muskeg and Smoky Rivers—see your file 16-4-8-H.15.

In this connection I may say that on the 15th instant the rental for the current year of seven of these leases amounting to \$16,320 became payable, but no payment on account of this rental has as yet been received. It is the practice of the Department to write to the lessees in case payment of rental is not transmitted promptly. Before doing so, however, I am taking this opportunity of consulting you in order to get the benefits of your views as to whether the usual departmental action should be taken in this connection.

By Hon. Mr. Barnard:

Q. Did you mean by that that you were asking whether he thought you should give the usual thirty days notice?—A. Whether we would extend any consideration at all in view of the fact that he was getting information as to their being alien enemies.

Q. You had in mind then that you would cancel without notice?—A. I would be guided by his—

Q. That was your object?—A. That was my object in writing that letter. The reply to that letter is not on my file, I find, but on your file; that is the matter so far as I was concerned. The memorandum recommending the cancellation came to me; I concurred in it, and I think I took it in to Mr. Sifton, who was Acting Minister, who O.K.'d it and the leases were cancelled.

Q. The letter you refer to is this one?—A. It is on top, from Sir Percy Sherwood.

Hon. Mr. Bostock (reading):

"Dear Mr. Cory,—

Re Paul R. Isenberg and Dr. Reinhold Hoppe:

I am in receipt of yours of the 29th instant, herein, and in regard thereto, have to say that I have no further information in regard to these persons to offer. I presume

the department, following the usual practice, should notify the lessees and failing prompt payment, which is unlikely, I do not think, in view of what we know of the gentlemen, that they should receive any great consideration."

Mr. CORY: That is all I had to do with the matter.

By Hon. Mr. Bostock:

Q. Would that account for their not receiving the same privilege? Of course they did not ask for it?—A. No.

Q. Before that they did. They did not receive any further privilege in July, 1918? —A. That was after the cancellation had actually taken place. I did not receive word until after the cancellation had taken place. We sent the notification to the trust company in Honolulu who had been paying the rent and represented themselves to us as being the agents. Then they evidently notified him that the lease had been cancelled, and then he wired us and wrote us asking for that. But in the meantime the cancellations had been actually made.

Q. You took the view there was nothing you could do?—A. After the cancellation, and I did not imagine there was any particular disposition to do anything in favour of him, if the reports we had received about them were true. I had never seen Dr. Hoppe. I never saw any of these men and knew nothing at all about them. This was the whole matter that had been brought to my attention in that way, and I ceased dealing with it at that time, when the recommendation showing that they were two months in arrears and had not any disposition to pay the rental had been made to us. I concurred in the recommendation to council, and Mr. Sifton O.K.'d it.

Q. They were two months in arrears on the first leases, but not on the last one. One lease did not fall due until the 22nd of June. There was only a little over a month in that case?—A. Of course the regulations, if we desired to exercise them, provide that when the payment is thirty days overdue the lease may be cancelled.

By Hon. Mr. Tessier:

Q. But you can grant a delay if you so desire?—A. Yes.

By Hon. Mr. Bostock:

Q. And you very often do?—A. Very frequently.

Q. According to that letter written in 1917, the letter that I first read, there was a disposition to give further time?—A. Yes, at that time.

Q. Further than you gave in 1918?—A. Exactly. We had no information about it at that time.

Q. Of course you did not get any further information, really, from Sir Percy Sherwood about Dr. Hoppe and this other man, that they were any more dangerous to the country in 1918 than 1917?—A. You see, it was in December of 1917 when he first came to me.

Q. Yes?—A. And then it ran on from there until his last reply, when he said that so far as he was concerned he had no further interest in the matter; that he had not been able to get any further information about them.

Q. Was the question ever raised, Mr. Cory, that if these men were alien enemies the leases should be put into the hands of the Custodian of Alien Enemy Property?—A. No, that question had never been raised with regard to any property that had been leased by us.

Q. That would be the thing to do, would it not, if they were alien enemies?—A. Well, no request was made. As a matter of fact, at that time I do not think I knew there was a Custodian of Alien Enemy Property, I inquired to-day and found there was one appointed in 1916, but I had no notice of it and I knew nothing about it. There had been no request to us to deal with any leaseholders, or anything of that sort, under our department, in that way.

Q. With regard to these fresh applications, have you any knowledge?—A. No, I have no knowledge of those at all. The only time that the question of the new applications came before me was on the question, I think, of the memorandum which Mr. Rowatt sent up—I think that is on the other file—setting forth that it was reported that certain improvements had been done on this property, but that had been of no value to the new coming leaseholders and asking whether or not we would collect the value of the improvements from the new lessees, and stating at the same time that they were supposed to have opened some seams and that there were little pit holes dropped, which would probably have caved in and be of no value to the incoming men. We never collected on anything of the kind.

By Hon. Mr. McLennan:

Q. Was that a verbal communication?—A. No, it was a written communication. It is on the other file—the individual file. I concurred in that.

By Hon. Mr. Michener:

Q. What was the name of the engineer? J. B. Metz?—A. No, it is a two-page memorandum from Mr. Rowatt.

Q. There is a memorandum here from one of the engineers, from the department, stating that there were considerable improvements done?—A. I did not see the engineer's report. I will show you what I saw. I can put my hands on it. This is the memorandum here that I have reference to. I sent that memorandum to the minister, on top of that memorandum there quoting practically the recommendation from Mr. Rowatt to me. That is all I knew about the new leases.

By Hon. Mr. Bostock:

Q. This memorandum to you, Mr. Cory—Mr. Rowatt's memorandum of the 4th of December, 1917, referred to the value, at least as it was apparently known at that time?—A. Quite true. But, you see, I do not carry these things in my mind, and when a memorandum of that kind comes to me I simply deal with the matters before me and I assume that all the material facts are set out in the memoranda as they come to me. In Mr. Rowatt's memorandum, if you read it you will see, he supposed that the work done was not of any considerable value, and would be of no value at all to the new lessees.

By Hon. Mr. Bostock:

Q. Is there any official in your department who would be supposed to find out what the value would be?—A. Yes, but we have never done that in the case of cancellation of leases. The property was 100 miles from a railway and no coal had ever been taken out. So far as I knew there was no evidence of any considerable money having been spent. Quite true, in that memorandum of a year before, it was stated there was something like \$100,000 spent on the property, but that was not set forth in that memorandum, and of course I did not connect the two.

By the Chairman:

Q. This is a later memorandum?—A. Oh, much later.

Q. Was that from Mr. Rowatt too?—A. That is from Mr. Rowatt to me.

Q. Did you know, Mr. Cory, that there was a great deal of work done on this?—A. No, I didn't; I knew nothing about that.

By Hon. W. B. Ross:

Q. Is there anything in the regulations that would require you to advertise?—A. There is no provision in the regulations governing that at all. We simply cancel it and post it in the mining recorder's office.

Q. Where is that?—A. That office would be in Edmonton.

Hon. Mr. WATSON: Simply a notice that it is cancelled.

By Hon. W. B. Ross:

Q. Do you know if that notice was posted there?

Mr. ROWATT: He acknowledged receipt of it, but he did not mention the posting of it.

Hon. W. B. Ross: Where would he post it?

Mr. ROWATT: On the board in his office.

By Hon. Mr. Barnard:

Q. There is one thing I would like to get clear in my own mind. Dr. Hoppe asked for an indulgence with regard to rents in the spring of 1917, was it?—A. Yes, 1917.

Q. And that indulgence was granted him?—A. Yes; we gave the same privilege to him that we would have to anybody else; that is, 25 per cent.

Q. About when?—A. It was in the spring of 1917. He paid the quarter. We asked him to pay, and on or about the 1st of November he paid the balance.

Q. It was in December, 1917—that would be six or eight months after that—that Sir Percy Sherwood first mentioned this matter to you?—A. Yes.

Q. The information came from him in the first place? It was sought by you?—A. Oh, no, not by me.

Q. It was volunteered by him?—A. He came to my office and brought the matter up. I knew nothing about Dr. Hoppe at that time. That memorandum, when they were granted, it was not concurred in by me; that was recommended by Mr. Côté.

Q. Then you only knew of any question of Dr. Hoppe being an alien enemy, or having enemy sympathies, in December of 1917?—A. In December of 1917; that is, when Sir Percy Sherwood called at my office.

By Hon. Mr. Watson:

Q. You had never heard he was arrested in 1914?—A. I never heard of that. I have heard of it since, but I do not know it to be a fact.

By Hon. Mr. Bostock:

Q. There is a memorandum here, Mr. Cory, on this file, addressed to Mr. Robins on the 12th of January, 1918, which apparently was a memorandum by Mr. Rowatt?—A. Yes.

Q. I can read the whole thing, if you like?—A. I think I have read that memorandum.

Hon. Mr. McLENNAN: You might read it for the Committee.

Hon. Mr. BOSTOCK: This is a memorandum to Mr. Robins dated the 12th of January, 1918:

"You ask me for information respecting certain coal mining locations situated nearly the junction of the Muskeg and Smoky rivers in the province of Alberta, in which Dr. R. Hoppe, of Oakland, California, would appear to be interested.

"In May and June, 1912, leases were issued under the provisions of the coal mining regulations in favour of eleven persons of locations situated in the above locality, which is about one hundred miles north of the line of the Grand Trunk Pacific Railway, and in August of the same year these several leases were assigned to Paul R. Isenberg, who it is understood, financed Dr. Hoppe's enterprise.

"The lessee made a partial survey of the townships in which these locations were situated, and by an Order in Council dated the 19th of July, 1913, permission was granted to reduce the area of the locations in question so as to comprise 18,880 acres, and a definite description by section, township and range was furnished.

"The rental is at the rate of one dollar an acre per annum, and the lessees have paid the rental of the locations in question up to the 15th day of May next. The

annual rental is at the rate of \$18,880, and payment has already been made of \$114,359.91 on account of the rental of these locations.

"Section 10 of the regulations under which these leases were issued provides that the lessee shall commence active operations on his leasehold within one year from the date upon which he may be notified by the proper officer of the department to do so, and shall produce from such operations the quantity of coal specified in the said notification. The notification shall set out the quantity of coal which the lessee is required to mine and produce at the pit's mouth ready for shipment, but in no case shall the maximum quantity required to be mined exceed ten tons per annum for each acre leased.

"Notification to commence operations under this section of the regulations has been given in a great many cases and the lessee required to produce the maximum quantity of coal prescribed. As the area of the locations in which Dr. Hoppe is interested is 18,880 acres, the lessee might be required to produce at the pit's mouth ready for shipment, 188,800 tons of coal.

"The regulations provide that in case operations are not commenced within the time specified in the above notice or if the required quantity of coal is not mined during the year, the lease shall be subject to cancellation in the discretion of the minister."

That is a memorandum from Mr. Rowatt to Mr. Robins. Do you know who Mr. Robins is?—A. Mr. Robins was assistant secretary to the minister at that time.

Q. And that memorandum was apparently given to him on some information he asked for. You would not know anything about that?—A. I know nothing about that.

Q. He apparently suggested that some action should be taken under that section 10?—A. Possibly. I don't know.

Q. You don't know anything about it?—A. No.

By Hon. Mr. McLennan:

Q. Was that information which was given to the assistant secretary similar to information you would give to any one who would inquire?—A. Well, no; I don't think we would give that to any one.

Q. But, he being in the department——?—A. Mr. Robins, as far as any officer of the department would know, would be asking for the information for the minister or for somebody else to whom the minister wanted to give it. There is no objection to any officer sending anything of that sort to the minister's office if it is asked for.

By Hon. Mr. Watson:

Q. An outsider would not get that information?—A. No.

By Hon. Mr. Bostock:

Q. I think you said you did not know anything about this application?—A. No.

Q. There is no report made to you?—A. No, nothing of the kind. The applications are made under the provisions of the regulations. If the regulations are complied with, then they are granted as a matter of course, unless there is some conflict or something of that sort. If a man applies and complies with the regulations, he gets his lease.

By Hon. Mr. Tessier:

Q. That is what happened in the present case?—A. So far as I know.

By Hon. Mr. Bostock:

Q. The agent at Edmonton would have to see that that was done?—A. I assume so. They would eventually come down here before the leases were issued. The leases are all issued from here.

Q. But the application would be taken up there?—A. Oh, yes.

By Hon. Mr. Watson:

Q. The minister in all cases has to authorize cancellation?—A. Yes; we do not cancel without the minister's authority, unless it is a notorious case and there is no merit in it at all.

By Hon. Mr. Bostock:

Q. Under the regulations each locator has to go and do his staking on the ground?—A. Yes.

Q. And put in the posts? This was unsurveyed territory; therefore it is under that regulation?—A. I judge from the memorandum you read there that they had partially surveyed it. I do not know what evidence there was that surveys had been made on the ground.

Q. You treated it as unsurveyed territory?—A. As unsurveyed territory.

Q. Therefore it would come under the part of the regulations dealing with unsurveyed territory?—A. Yes.

Q. What means have you of knowing that these regulations are properly complied with?—A. I have no means of knowing at all. Mr. Rowatt perhaps may have the information that you ask for, but I would not know anything about that. Mr. Rowatt would report to me that everything was all right and would send the leases up for my execution.

By Hon. Mr. Blain:

Q. Mr. Cory, were these leases in your opinion cancelled in the regular way?—A. They were regularly cancelled.

Q. Was there any suspicion in your mind that there was any irregularity at all?—A. No, none whatever.

Q. Neither in the cancellation of the leases nor in the new applications?—A. I know nothing about the new applications and I had no reason to suppose that any new applications were not regularly and properly made.

Q. In your opinion, as far as you know, they were properly made?—A. As far as I know, everything was proper and regular.

Q. May I ask one other question? How much money was expended in the development of this property?—A. I have no evidence of that, any more than a statement of Dr. Hoppe's that somewhere about \$100,000 had been expended in surveys and in proving the property. I do not know about that at all.

Q. That had not been brought to your attention?—A. No, the only memorandum in which there was anything said about the expenditure—I knew about the amount that had been paid for rental—was the one in which Mr. Rowatt asked whether or not we should collect the value.

Q. How much was that?—A. Excuse me a minute. It does not say the value; it says the locations. He referred to the development work conducted on the locations in question.

"This development appears to have comprised the uncovering of the coal seams within certain of the locations, and the driving of certain short tunnels on the seams in order to show up the quality of the coal. There is nothing to indicate that any permanent improvements were made upon these locations or that their value was materially increased by the work carried on under Dr. Hoppe's direction.

"The locations in question lie more than 100 miles distant from any means of transportation, so that no mine was opened and no coal appears to have been mined or disposed of.

"The rental of these locations for the current year became due on the 15th of May last, and the leases were finally cancelled in the records here on the 3rd of August, so that the lessees are indebted for rental from the 15th of May until the 3rd of August last on these several locations, amounting to about \$3,675.

"The suggestion is made in the annexed memorandum that the improvements on this land become the property of the Crown and the question is raised whether such improvements should be taken into consideration in the issue of leases in favour of the present applicants.

"It has not been the practice of the department in the past to consider test-holes which may have been sunk, or short tunnels which may have been driven for the purpose of proving the existence of coal, as permanent improvements which would be of value to a subsequent lessee, and for that reason no effort has been made in the past to require such subsequent lessee to pay for such improvements, as it is highly probable that they are of no value to him whatever. It is quite probable that the short tunnels driven by Dr. Hoppe on the locations in question have since caved, and would not now be of any value even for the purpose for which they were originally driven.

"The department would not, therefore, I think, be justified in requiring the present applicants for these coal mining rights to make payment of the expenditure which Dr. Hoppe may have incurred in exposing the coal seams for the purpose of estimating the amount of coal in sight. Dr. Hoppe and his associates paid to the department the sum of \$114,359 on account of rental, although no use whatever was made of the land and no coal whatever appears to have been removed."

That is all I had before me with regard to the value of the improvements. This memorandum was dictated by Mr. Cote and sent to me and I looked it over. It says:

"Under the circumstances, recited in Mr. Rowatt's memorandum of the 15th instant, underneath, I do not think that the department would be justified in requiring the present applicants for these coal mining rights to make payment of the expenditures which the former holder, Dr. R. Hoppe, may have incurred in exposing the coal seams for the purpose of estimating the amount of coal in sight as such improvements would scarcely be of any value for the purpose for which they were originally made."

I signed that, and that was approved by the Minister.

By Hon. Mr. Blain:

Q. May I ask, had these improvements been of value, would you have charged the new men?—A. We had never done it before.

Q. Never done it in any case?

By Hon. W. B. Ross:

Q. It was your officer at Edmonton to whom notice was sent? Is there any engineer or any man there who could have been sent to this place to examine it?—A. We could have sent a man if there had been any question about it. We could have sent our engineer in there.

By the Chairman:

Q. But you did not do it?—A. No.

By Hon. Mr. McLennan:

Q. Who is Mr. Cote?—A. He was the assistant deputy minister. He died a month ago.

By Hon. Mr. Watson:

Q. Do you ever make any inquiry of the Geological Survey?—A. No.

Q. Mr. Dowling gave us some information last night as to the work done on these tunnels. I think there were five tunnels of about 100 feet in length driven into the seam. Mr. Dowling told the committee that it was surveyed two or three years ago?—A. I had no report on that.

The CHAIRMAN: It was published in a report though.

By Hon. Mr. Ross:

Q. This man seems to have had it in his mind, although it is not referred to very clearly?—A. Evidently Mr. Rowatt based his memorandum on that.

Hon. Mr. Ross: He says: "Owing to the former lessee having defaulted. I assume that any improvements that may have been placed upon the land become the property of the Crown, and I thought it well to inquire, before taking any steps for the issue of leases to the present applicants, whether the possible existence of such improvements is to be taken into consideration in dealing with the application."

Q. Do you know whether Mr. Metz did make any recommendation?—A. Oh, no, I don't think so.

Q. This was on the 8th and the other was on the 15th?—A. That was seven days. No man could get in there and out in seven days, and make an investigation. It is 100 miles from Edmonton; I simply took Mr. Rowatt's statement, and sent that to the Minister.

By Hon. Mr. Watson:

Q. How far is that from Edmonton?—A. I understand 100 miles from the railway.

Q. It is 150 miles on the railway before you start—

Mr. ROWATT: I don't know the exact distance.

By Hon. Mr. Watson:

Q. I think it is about 70 miles from the railway, and it must be about 100 or 150 miles from Edmonton?—A. I don't know what the distance is.

By Hon. Mr. Bostock:

Q. Last night we had Mr. Dowling of the Department of Mines here, and he stated that two of these locations that Dr. Hoppe had were practically the best coal in Canada?—A. That may be perfectly true, sir; we have no knowledge. We make no investigation; all we do is simply to check up a man's operations. A man goes out and explores and finds coal and locates it and makes application to us; and if everything is regular we grant the lease without any knowledge, as in the old days we sold timber without knowing whether there was a stick on the land or not.

By the Chairman:

Q. I thought you had got away from that?—A. We have now.

By Hon. W. B. Ross:

Q. Have you any idea of when the notice was sent to Edmonton and the date of cancellation?

Hon. Mr. BOSTOCK: The notice was sent on the 1st of August, and the letter in reply acknowledging it is dated the 17th of August?

Hon. Mr. MICHENER: The application was made on the 29th or 30th.

By Hon. Mr. Bostock:

Q. So we would presume in the office at Edmonton that the notice was put up about the 6th of August?—A. That would be pretty quick, I think, if it was written on the third.

Q. It was written on the 1st of August?—A. To the Mining Recorder?—

Q. Yes?—A. My impression was that it was the 3rd, the letter to the Mining Recorder.

Hon. W. B. Ross: "On the 1st of August, 1918, Mr. Galt of the Hawaiian Trust Company, the agents of Mr. Isenberg, was advised of the decision arrived at, and on the 3rd of that month the leases were finally cancelled in the records of the depart-

ment?—A. Yes, so it would be three or four days after that before it could reach the Mining Recorder.

By Hon. Mr. Bostock:

Q. Here is the letter, the 1st of August, 1918, to the Mining Recorder, Edmonton, Alberta:—

“I beg to refer to your file No. 183411, and to enclose herewith a copy of a communication which has this day been addressed to the Vice-president of the Hawaiian Trust Company, of Honolulu, advising him of the cancellation of the eight leases mentioned in that communication.

These leases might now be cancelled in the records of your office, and the rights described therein, made available for other disposition, provided you are not aware of any objection thereto.”

A. I am mistaken. I thought it was the 3rd.

Q. Apparently it was sent on the 1st of August?—A. Yes.

By Hon. Mr. McLennan:

Q. Can you tell us what the significance of that last phrase “providing there is no objection thereto?”—A. Unless there was something—I supposed he had no notice and so he would not disregard anything that might be on his files.

By Hon. Mr. Bostock:

Q. That letter was not replied to until the 17th?—A. Yes.

Q. So there was apparently somebody quite ready to start out and re-locate these properties?—A. It appears so; there was no considerable time lost.

Q. Because the applications were made on the 29th and 30th of August, but you have no knowledge as to just how application was made?—A. None whatever. I could not tell you.

Q. Do you know of any other case where property was cancelled after money had been spent on it in this way? Do you remember any other?—A. I remember no case where there was so much money paid where we cancelled in that way. I fancy perhaps a longer time in arrears—I would not be sure about that.

Q. Is it fair to say that the policy of the department would be to make more inquiry?—A. No, I do not think we would make more inquiry. We might grant it in time, or let the thing run out; but since war broke out we had a very clearly defined policy that they should pay a quarter and we would give reasonable time on the balance. But where a man made no payment at all we might follow it up by another notice and carry him for a year, and then eventually wipe it off.

By Hon. Mr. Thompson:

Q. In this matter the Department was more or less influenced by the correspondence you had?—A. That is what influenced me entirely.

By the Chairman:

Q. With Sir Percy Sherwood?—A. Yes. If I had not had that, I don't know that I would have recommended cancellation. In fact, I am quite certain I would not.

By Hon. Mr. Thompson:

Q. Did you think the evidence was sufficient?—A. I had no evidence at all.

Q. Only what that man said?—A. Sir Percy Sherwood came to me, and he seemed quite well informed on the matter, and asked me to get this information for him, and told me shortly the kind of men they were, and it was that which caused the whole matter to start for my part.

By the Chairman:

Q. Did you ever hear that this man was arrested in Montreal?—A. I have heard that within a week or so, but never before.

Q. Arrested and liberated?—A. That is what I have heard since. I had never seen Hoppe or never heard of him.

Q. The statement has been made that he was arrested, and that it was found out that he was an American citizen and was liberated?—A. As to that, I don't know who arrested him, or anything about that.

Q. Regarding the staking, Mr. Cory, when this property became available for entry, the law says staking must be done personally?—A. Yes.

Q. There were seven or eight locations, I understand?—A. Eight, I think.

Q. The men who stake this property, to be legally entitled to it would have to be bona fide stakers—that is, staking it for themselves?—A. I think that is the intent of the regulation.

Q. You think that is the intent of the regulation?—A. I think so.

Q. Then if I wanted this property and I knew it was going to be thrown open, I could not go and wire to a lawyer in Edmonton and engage him to get seven or eight stakers to stake it with the understanding that as soon as it was staked these men would assign it to me. Would you consider that legal staking?—A. If I had that evidence before me I do not think I would pass on it.

Q. That is what I wanted to know.

By Hon. Mr. Blain:

Q. It has been suggested at this investigation that there was undue haste on the part of the Department in cancelling these leases. What is your opinion?—Well, judging—I can only answer that by taking our practice in the past, and it might be considered reasonable that we were hasty in cancelling these leases; but as I say, the sole object that moved me was the idea that these people were not good citizens and might be holding the property for an ulterior motive.

Q. That is the only reason?—A. Absolutely.

By Hon. Mr. Watson:

Q. Without that reason you would not have cancelled as you did?—A. I do not think I would.

By Hon. Mr. Michener:

Q. Do you think that was sufficient?—A. Taking Sir Percy Sherwood and the position he held, I felt I was perfectly justified.

Q. Did you know that this man was an American citizen?—A. No, I had never heard that before; it was reported to me that he was a German.

Q. You know now?—A. I do not, sir, I have heard it said that he was, and I have heard it said that he was not.

Q. I think Mr. Rowatt admitted that.

By Hon. Mr. McLennan:

Q. As I understand it, it was not that they were reported to you as alien enemies, but that they were strongly pro-German and bad actors?—A. Yes, call them anything you like. The fact that a man might be a German and living in the United States so long as he was a good citizen—

Q. But the British Consul reported that these were a bad type of men?—A. Yes.

By Hon. Mr. Watson:

Q. Even if he was an American and a bad type it would be the same?—A. If he was pro-German we probably would not have much more sympathy for him.

By Hon. Mr. Barnard:

Q. I do not think the record shows who Sir Percy Sherwood is?—A. He was the Commissioner of Dominion Police, and I understand chief officer for inquiring into alien enemy matters—secret service.

By the Chairman:

Q. Even the evidence from Sir Percy Sherwood is not conclusive?—A. No, the written evidence is not. That followed a conversation which he had with me in which he made statements broader and stronger than anything in writing.

Q. If you had known that Isenberg, in whose name the claim stood, was born in Honolulu and was an American citizen, would you have taken that action, do you think?—A. I do not know that that would have influenced me, particularly in view of the information I had. I think I would have acted just the same.

Q. Even if he was an American citizen?—A. Even if he was an American citizen I do not think it would have influenced me.

By Hon. Mr. Bostock:

Q. The regulations did not really permit of your exercising much discretion on the question?—A. In what way, sir?

Q. Where you have a property that has had money spent on it like this property had, where apparently \$114,000 was paid in rentals, and some money at any rate spent on prospecting?—A. Yes.

Q. They do not allow of your taking into consideration that amount?—A. No; they cancel it solely and purely on the ground of being in arrears for rental. We could cancel if they had a million dollars improvement on it.

By the Chairman:

Q. Would you hand that million dollars of improvement to someone else?—A. Oh, no.

Q. What would you have done?—A. If any person else had applied for it they would have to take it subject to what was allowed them.

By Hon. Mr. Watson:

Q. It has been represented by the reports of mining engineers that there are five seams, and tunnels driven in those seams from 95 to 100 feet on each?—A. Yes.

Q. And that the roof stood—it was done without timbering—apparently those tunnels are there yet exposing the coal. Would you consider that of value to that property?—A. I am not a coal miner, but I should judge that it would be.

Q. If you had information that that was the condition, you would have hesitated?—A. Certainly. The only information I had—

Q. If you had known that?—A. I would have sent a man out.

By Hon. Mr. Willoughby:

Q. What do you do then? Suppose you found improvements on it and they ought to be paid for, who would receive the money?—A. We would first collect the money and put it into the revenue of the Crown; after that we might accept evidence as to the ownership or right to either the whole or part of that.

Q. Like a homestead?—A. Something like a homestead. It is our money; we would not have to pay it to anybody.

By Hon. Mr. Watson:

Q. If you thought the original owner was entitled to money for work done, you would pay him?—A. Yes.

By Hon. Mr. Tessier:

Q. In fact, you never collect on property?—A. Only on homesteads. We have had properties left in liquidation, and we have tried to realize back royalties.

Q. You never charge them to new entrants?—A. Not a mine of this kind.

By the chairman:

Q. Yet, if you had known these improvements had been made?—A. I would have had them valued.

FRIDAY, 27th June, 1919.

H. H. ROWATT was recalled as a witness, and testified as follows:—

By Hon. Mr. McLennan:

Q. Mr. Rowatt, would you tell us the basis on which you wrote that memorandum to Mr. Coté, the second memorandum in reference to the fact that these were unimportant improvements and had probably fallen in?—A. We had no definite knowledge as to the improvements that were on the land, only the verbal statements which Mr. Hoppe made himself; and he never informed me at any time that there were any valuable improvements in the way of tunnelling on the land. I assumed from what he told me that they were test pits.

Q. I was under the impression that that memorandum of yours was somewhat more definite than that?

By Hon. Mr. Michener:

Q. There is one here, I think, by a Mr. Metz, from your department, J. T. Metz?—A. Yes.

Q. That seemed to state to the department that there were considerable improvements?

By the Chairman:

Q. You might read that for the record?—A. Do you want me to read it?

By Hon. Mr. Michener:

Q. Just the last paragraph?

Mr. ROWATT (reading): "In Mr. Genest's several memoranda relating to these eight applications, it is stated that the locations applied for were formerly held under lease by Dr. R. Hoppe, *et al*, and in this connection I might call attention to the fact that the former lessee appears to have incurred a considerable expenditure in prospecting, and proving the existence of coal on the lands in question, five seams having been opened up by tunnels. Owing to the former lessee having defaulted, I assume that any improvements that may have been placed upon the land become the property of the Crown, and I thought it well to inquire, before taking any steps for the issue of leases to the present applicants, whether the possible existence of such improvements is to be taken into consideration in dealing with the application."

Hon. Mr. MICHENNER: That is it.

By Hon. Mr. McLennan:

Q. What is the date of that?—A. It is dated the 8th of November, 1918.

Q. That was before the leases were issued?—A. Before the new leases were issued.

Q. And did you have that in your possession when you wrote the memorandum to Mr. Cory to which he referred?—A. I commenced the memorandum to Mr. Cory by saying, "Annexed hereto is a memorandum submitted by Mr. Metz of this branch."

By the Chairman:

Q. That was annexed to the memorandum, was it?—A. Annexed, yes.

By Hon. Mr. McLennan:

Q. Five seams have been proved in that, as on two very important claims: one largely the dip of the seam, which is important in mining, and, another very important thing, the roof and the floor. I do not think the Geological Survey report, but that other report, which in the main was confirmed by the report of the Geological Survey, stated that the roof and floor were so good that no timbering was required; so that they were not mere narrow tunnels. I am interested to know why you would come to so different an opinion, for example, from what I would have come to, with that information?—A. Well, we didn't have any information respecting the improvements on the land; absolutely no information except the verbal statements made by Dr. Hoppe.

Q. But Mr. Metz, another German, submitted another memorandum. This seems full of German names?—A. I feel convinced that he had no more information than I had.

By Hon. Mr. Tessier:

Q. You did not believe Hoppe's story?—A. Dr. Hoppe never represented to me that he had made valuable improvements on the land.

By Hon. Mr. Watson:

Q. Who is Metz?—A. A clerk in the office; not an engineer.

Q. How did he come to write you that memorandum? Was that his business?—A. Yes. You will notice below that he prepares coal mining leases, and the files were sent to him to attend to the preparation of the lease.

Q. It was his duty to call attention to that?—A. Yes, he considered it his duty to call attention to it. Apparently he obtained the information from Mr. Genest.

Q. Who is Genest?—A. He is another clerk in the branch.

By the Chairman:

Q. Would Genest be informed on this matter?—A. He might be.

Q. Mr. Rowatt, at the time that this report was written, was there not in existence a report of the Geological Survey—Mr. Dowling's report?—A. I had never seen it.

Hon. Mr. MICHENÉR: In 1916 there was a report.

The CHAIRMAN: Giving all the information as to the tunnels on that property and everything else.

Mr. ROWATT: I had not seen the report.

Hon. Mr. WATSON: I think he said it was never completed.

Hon. Mr. MICHENÉR: But the report of 1916 refers to it.

Hon. Mr. MCLENNAN: As to the thickness of the seams.

Hon. Mr. MICHENÉR: And the quality of the coal.

The CHAIRMAN: It was published in a blue book.

Mr. ROWATT: I had seen a report that the coal at the junction of the Muskeg and Smoky was good and was there in large quantity, but I did not know anything about tunnels, and I never saw any reports dealing with any improvements on the land.

The CHAIRMAN: Gentlemen, there does seem to be a great lack of co-operation between the different branches of your department.

Mr. CORY: That is not our department.

Hon. Mr. BOSTOCK: That is another department.

The CHAIRMAN: I have noticed this all over the Government service—the lack of co-operation. This was valuable property, or was supposed to be. Now, if there was a report, or if you or anybody else had any right to suppose that some other branch of the Government was making an investigation of these properties you would have thought that somebody in your department would be looking for that information, to know just exactly the value of these properties. Throughout the whole Government service I notice that lack of co-operation.

Hon. Mr. McLENNAN: Apparently this Mr. Metz had some idea of the value of the property. and no action was taken.

Hon. Mr. TESSIER: But they do not seem to take into consideration the value of the property. They give it to anybody who applies. That is what they have done in the present case.

The CHAIRMAN: This is certainly a serious discrepancy.

Hon. Mr. McLENNAN: You have two instances to-night. You have this, that the Geological Survey was in possession of information about the property, showing that two years ago it was very valuable, and this department knew nothing about it. You have the second instance, that the head of an extremely important department did not know until the other day that there was a Custodian of Alien Enemy property. I do not know which department that comes in, but you would have thought they would have notified the other departments.

The CHAIRMAN: There is a great lack of co-operation all through the Government service.

Hon. Mr. McLENNAN: However, we ought not to keep these gentlemen here while we discuss that. Don't you think, Mr. Rowatt, when you told me yesterday that you had said everything, that you had disclosed everything from the files that was of moment, you must have overlooked this matter about the value?—A. Well, I knew—

Q. This report that was sent up to you, and the memorandum with regard to the value. However, we asked you a good many questions?—A. I remembered that report.

By Hon. Mr. Bostock:

Q. Mr. Rowatt, this money that was paid on these leases under this new application was paid to your department, was it?—A. Paid to our department; it was paid to the credit of the Receiver General—paid into our department.

Q. And it was paid by Colonel Shillington?—A. That is, the new application? The money was paid by Colonel Shillington by cheque.

Q. In one sum or different sums?—A. In two sums.

Q. Why was it paid in two sums?—A. The first payment was \$18,000, because the area of the locations they had staked out was assumed to be 18,000 acres; and it always takes us some little time to arrive at a definite decision as to what the real area is, and as soon as we could adjust the area we asked him to pay the balance. There was a small balance. It was a larger area than 18,000 acres.

Hon. Mr. TESSIER: The Government is in exactly the same position as in regard to these leases as they were in before, except that the Germans have gone and that the property belongs to Canadians. That is the difference.

Mr. ROWATT: That is the difference.

Hon. Mr. TESSIER: There are no longer German proprietors of that land; it is now held by Canadians. The position otherwise is exactly the same as before.

Mr. ROWATT: You asked for a statement?

Hon. Mr. BOSTOCK: Yes.

Mr. ROWATT: This is a statement of how the payments were received (handing over a typewritten statement).

By Hon. Mr. Michener:

Q. Would you not expect the payments to be made by the parties who are making the application, usually?—A. Or by their attorney.

Q. Was Mr. Shillington the attorney of these men?—A. He was the attorney.

Q. Of these eight men?—A. Yes. The first information I had that he was interested was when he filed with me a regularly prepared power of attorney showing that he was acting for these eight applicants and had authority to act for them.

Q. Did you believe at that time that he was acting for them or that they were acting for him?—A. Well, I assumed that he was their attorney and was acting for them.

The CHAIRMAN: You assumed that?

By Hon. Mr. Michener:

Q. He did not intimate to you that he was interested?—A. No, I don't think he said anything about it.

By Hon. Mr. Bostock:

Q. When was that filed? Do you remember the date?—A. I have got the powers of attorney here, I think. I think they were all filed at the same time. I think all the powers of attorney are the same. That is one file. If I am right, that is the power of attorney.

By Hon. Mr. Willoughby:

Q. I suppose as to that, Mr. Rowatt, it is customary to make use of those powers of attorney? I believe that is the usual way?—A. Very frequently powers of attorney are used.

By Hon. Mr. Michener:

Q. The department is not concerned so long as they get the money?—A. Well, that is my duty.

By Hon. Mr. Willoughby:

Q. As long as the papers are regular you consider your duty is done?—A. Yes.

By Hon. Mr. Bostock:

Q. This is a power of attorney that has the stamp of the Mining Lands and Yukon Branch, 19th September, 1918, and this is to appoint Percy W. Abbott, of the city of Edmonton, in the province of Alberta, barrister-at-law. It reads: "Know all men by these presents that I, William R. Gouin, of Edmonton, in the province of Alberta, gentleman, have nominated, constituted and appointed, and by these presents do nominate, constitute and appoint Percy W. Abbott, of the city of Edmonton, in the province of Alberta, barrister-at-law as my true and lawful attorney for me and in my name and on my behalf," etc. I do not see anything said here about Col. Shellington?—A. I think you are right, Senator. The power of attorney was in favour of Percy W. Abbott. And I see we received the power of attorney from the Mining Recorder at Edmonton; it was not handed in. I had not an opportunity of looking over these files.

Q. So there is no other? This was the only power of attorney that was filed in each case, with each application?—A. Yes, with each application, and it was Mr. Abbott that executed the lease. I see that he executed it under that power of attorney.

Q. There is no date. It has the stamp of the Mining Lands and Yukon Branch, the 19th of September, 1918. I presume that would be the time you received it down here?—A. Yes, when we received it in Ottawa.

Q. Yes, it is dated: "In witness whereof I have hereunto set my hand and seal this 30th day of August, 1918."

Hon. Mr. WATSON: Where is that? Edmonton?

By Hon. Mr. Bostock:

Q. But Col. Shillington paid all the money for these leases?—A. Yes. In looking up the records to-day I find he made one payment of \$18,000 on the date I mentioned in the memorandum. It will be found on the file. The file you have in your hand will show when he made that payment.

Hon. Mr. WILLOUGHBY: Might I make a suggestion? There are many members of the Committee who know very much more about this than I do. In making the suggestion I may be premature, but it is this. There are two things involved in this. First, as to the regularity of the cancellation; secondly, if it was improvidently granted the next question is, was the new entry, or were the new entries, regularly granted under the regulations. Before you can deal with the second end of it, while it is important to get all the evidence you can here, it is also absolutely important to have the stakers present, in my opinion—to have those who staked it. The regulations provide: "The application shall be accompanied by evidence, supported by affidavit of the locator to show that the following requirements have been fully complied with:—

"That the location applied for has been defined on the ground by the locator in person, by planting two wooden posts at least four inches square," etc.

I will not read the rest of it. But the locator verifies by an affidavit the regularity of the staking, etc., and if the locators for any reason did not do the locating personally—I have no reason to know anything about that at all, but if they did not, then the question is; while the leases may be regular on their face, may they not be in a very different position? I presume there must be good faith and accuracy in the statements accompanying the application, and the proof of the actual staking by the locator himself. That being the case, I make this suggestion. I say there are two phases, therefore: first the regularity of this cancellation; second, as to the regularity of the new leases; and that second point you cannot determine, in my opinion, if you want to determine it in this very important inquiry, other than by having those actual stakers appear. I have no doubt the Committee, from the nature and scope of the inquiry as brought out here, will want to have both phases dealt with.

By Hon. Mr. Barnard:

Q. Did they make an affidavit?—A. Under the regulations they are required to make an affidavit, and the affidavit is on each of the files.

Q. By the locator in each case?—A. In each case, with the application.

Hon. Mr. WILLOUGHBY: Then, in view of the statement of the deputy minister that they were—I will not say improvidently granted, but perhaps hastily in view of the representations as to the supposed aliens, the greater the reason for inquiring into the absolute regularity of the new leases, because this forfeiture did not inure to the Crown, but inured to private individuals.

The CHAIRMAN: Those are points we are endeavouring to develop.

Hon. Mr. WILLOUGHBY: Well, you can develop one phase of it, but I am pointing out what occurs to me: we cannot conclude the inquiry anyway without the other evidence.

Hon. Mr. BARNARD: Is there any evidence of any kind to show that they did not go on the ground?

Hon. Mr. WILLOUGHBY: No, none whatever.

Hon. Mr. BARNARD: You have an affidavit that they did.

Hon. Mr. WILLOUGHBY: Well, that is *prima facie* evidence, and it quite warranted the department and the recorder—is it?—

Mr. ROWATT: The Mining Recorder.

Hon. Mr. WILLOUGHBY: Warranted the Mining Recorder in granting the application, but it would not satisfy me if I were wanting to make an inquiry, that it was other than *prima facie* evidence.

Hon. Mr. BARNARD: I could quite understand that if we were attacking the possession.

Hon. Mr. WILLOUGHBY: This whole inquiry is an attack.

Hon. Mr. BARNARD: But is there anybody here suggesting that the men have not gone on the ground? Of course, Mr. Chairman, it is impossible to get these men here now before the end of this session, if they are living in the west. I do not know where they are, who they are, or what their names are. You have the *prima facie* evidence and there is no suggestion that they did not go on the ground, and no reason to cast suspicion on them.

The CHAIRMAN: There is just one thing, Mr. Senator, and it is very apparent, what has taken place. Even if those men who have sent their affidavits here, which I am not questioning at all—went out and located and staked the property, it is very evident to me and to every member of this committee, I am sure, that they were not staking this coal property for themselves; that the real stakers, the real holders of this property, have not staked the property. It was staked not according to the Act at all; it was staked by men paid for that purpose.

Hon. Mr. BARNARD: I will venture to say that five-sixths of the coal lands of the country that are staked are staked in that very way. Is that not a fact?

Mr. ROWATT: I think it is.

The CHAIRMAN: But that would not make it right.

Hon. Mr. BARNARD: And the department know it. At least you have no doubt, it is generally the case.

Mr. ROWATT: It is generally understood that a good deal of it is staked in that way.

Hon. Mr. BARNARD: It is the ordinary practice of the department.

Hon. Mr. MICHENER: I would like to state, Mr. Chairman, right here, as far as concerns the people of Alberta who are interested in the development of that country, that there is a feeling there that any one on the ground has very little chance of getting, for real development, timber or coal areas from this department. There seems to be some one who is "Johnny on the spot" right here in Ottawa, always, when there are any good concessions being put up, as far as the province of Alberta is concerned. With timber areas it is the same. Coal areas appear to be the same. There is some one watching every move in connection with the cancellation of leases, and it is picked off by some one right here at the door of the department. Naturally the people of that country wonder why these things are all picked up by men who live in Ottawa and why it is impossible for men who live in the province of Alberta to get these concessions for coal development, that are held up by people who very often have no purpose or no intention to develop, but are holding for speculation. There is a complaint that I hear frequently expressed by citizens of the province of Alberta.

Mr. CORY: Excuse me just one moment. In so far as timber is concerned, I think you are wrong about that. Timber concessions are now all advertised in the public press in the capital of the province and locally, in the newspaper nearest to the concession. They are advertised from sixty to ninety days. They are cruised now. Formerly they were not cruised; and an upset price is placed on them at so much per thousand feet. The value of the timber on it is placed at an upset price and it is open to any citizen of this country to go in there.

Hon. Mr. MICHENER: But, Mr. Cory, when out of 20 advertised areas of timber—when the successful applicant in nineteen out of the twenty happens to be a brother-in-law of the Acting Minister of the Interior——

Mr. CORY: They are all sold by public auction, and I cannot see how that could be, unless he pays more money than anybody else.

Hon. Mr. MICHENER: It seems more than a coincident that the brother-in-law of the Minister of the Interior should be successful in securing nineteen out of twenty of the applications of those timber areas.

Mr. CORY: The only way he can do it is in the open market. They are all sold by public auction and he has got to bid more than anybody else before he gets it.

Hon. Mr. MICHENER: It is by tender?

Mr. CORY: No, not by tender; by public auction.

Hon. Mr. MICHENER: Mr. Chairman, I want to say that this has not happened just recently; this was years ago. You know to whom I refer?

Mr. CORY: I mean, that has not been the practice now for some ten years or more.

Hon. Mr. MICHENER: This was before that. It is such things as that, I wish to point out to this Committee, that have made a feeling in the province of Alberta that concessions in that province all seem to go to occupants and residents——

Mr. CORY: I thought you were referring to timber matters at present, because for some considerable time that has not been the case.

By Hon. Mr. McLennan:

Q. Have you ever considered following the same practice with mineral leases, or mineral and coal leases, as you tell us has been followed with regard to timber limits?—A. No, that has not been considered.

The CHAIRMAN: Are there any further questions to ask Mr. Rowatt?

Hon. Mr. BOSTOCK: There is the question, Mr. Chairman, about following up that point raised by Senator Willoughby. If we are going into that question further, we had better let that part of it stand over.

Hon. Mr. TESSIER: What part do you mean?

Hon. Mr. BOSTOCK: Those applications. You see these men apparently appointed Mr. Abbott as their attorney, and then the money was paid by Col. Shillington. There does not seem to be any connection between Mr. Abbott and Col. Shillington.

Hon. Mr. TESSIER: As long as the money is received what difference does it make whether it was sent by registered mail or by messenger? It does not make any difference?

Mr. ROWATT: No.

By Hon. Mr. Bostock:

Q. Mr. Rowatt, I want to take you back to that memorandum which I read to Mr. Cory, and which you addressed to Mr. Robins on the 12th of January, 1918, in which you start off by saying: "You ask me for information respecting certain coal mining locations," etc. Do you remember that incident?—A. No, I do not remember it, but the memorandum itself would indicate that Mr. Robins asked me to submit a memorandum respecting this, I assume, for the minister's information or for some other person, and as he was the minister's private secretary, of course, I did it.

Q. There was no written request?—A. Apparently it was a telephone message. I think it probable that Mr. Robins telephoned me to submit one, and I prepared a report as soon as possible.

By the Chairman:

Q. Would you address a report for the minister to Mr. Robins?—A. We would always address it to the person who asked for it.

By Hon. Mr. Watson:

Q. You would not address a report like that to an outsider?—A. Oh, no.

By the Chairman:

Q. I do not suppose you would give that even to an official unless you thought it was for the minister?—A. We generally furnish officers of the department with information if it is for official purposes.

Q. Would you consider that official? If the deputy asked I could understand that?—A. That is largely a quotation of the regulations; a short synopsis of the regulations and what could be done.

By Hon. Mr. Michener:

Q. I would like to ask regarding the regulations relating to coal and timber too. The lessees are required to do certain development work, are they not?—A. I could not speak for timber.

Q. But for coal?—A. They are only required to mine coal in case they are required by the proper officer to do so. If the local demand is not satisfied the department occasionally requires them to satisfy that demand.

By Hon. Mr. Bostock:

Q. That is what is referred to?—A. Yes.

By Hon. Mr. Watson:

Q. You would not require them to meet any local demands in that district now?—A. Oh, no.

By Hon. Mr. Michener:

Q. But the regulations are such that you could?—A. Yes, and in a few cases we have.

Q. I suppose you are aware that hardly a winter passes in the west but what there are some tragic deaths from lack of fuel?

I would like to make a statement, Mr. Chairman, that in my opinion with a valuable property, the best coal hold in Canada, a large area of this nature, with a Transcontinental railway with its ramifications—two Transcontinentals—that if the Government would take over a proposition like this and operate it for the benefit of the country, it would be a great thing for Western Canada—Alberta, Saskatchewan, Manitoba. Hardly a winter goes by but what there are deaths by freezing; cases where the people have burned up tables, chairs, and everything in the house; then they have been frozen to death because the man of the house is away looking for fuel when a blizzard has come on. I live right in the centre of Alberta, where there is coal all round, but hardly a month goes by when there is not a shortage, sometimes caused by strikes, sometimes by other reasons. It seems to me that the Government would be doing a great thing if they would undertake to develop just such a proposition as this, and have coal on hand and in that way avoid tragedy that occurs throughout Western Canada every winter.

By Hon. Mr. Tessier:

Q. It shows the importance of building a railway as soon as possible?

The CHAIRMAN: The extension of the Transcontinental for 65 miles would tap that coal.

By Hon. Mr. Bostock:

Q. You had no knowledge in reference to the report of 1915 that Mr. Dowling referred to last night, which says:—

“On sulphur River, on Smoky River and on Sheep Creek, claims were visited upon which some surface work was done, and a number of good coal seams of workable width exposed. On the Isenberg claims on Smoky River considerable prospecting has been done. Tunnels have been driven on five of the seams, 100 feet or more into the hillside.”

—A. No, sir.

The CHAIRMAN: That is what I think is the great weakness of the organization of the department, that the like of that could exist, and the department not know about it.

FRIDAY, June 27, 1919.

NORMAN G. GUTHRIE, barrister-at-law, of the city of Ottawa, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. Bostock:

Q. Mr. Guthrie, you know about these mining leases; I think you acted on one occasion for Dr. Hoppe, as his representative?—A. I acted on two occasions, in fact, for Dr. Hoppe and his associates in promoting legislation before Parliament in connection with a railway charter known as the Athabasca and Grande Prairie Railway Company. That is the only matter in which I ever acted for Dr. Hoppe and his associates.

Q. The file of the department here shows that they sent you notice of the necessity to pay these leases on the part of Dr. Hoppe and some of his associates?—A. I find on my file a notice dated June 15, 1915, signed “H. H. Rowatt,” with a statement of rental, and he says:—

“If you are still acting for the above gentlemen will you kindly instruct them that early payment of the rental in question should be made, and that it is the practice of the department to charge interest when rental is not paid within thirty days after the due date.”

—A. My recollection is that on receipt of this letter I rung Mr. Rowatt and asked him why the notice was sent to our firm; my recollection is that he replied that he had heard that we represented Dr. Hoppe and his associates, and I told him we had only represented them in connection with the Athabasca and Grande Prairie Railway charter. I said, however, that I would forward the notice to the Canadian Bank of Commerce, as I understood they had funds on deposit and that their San Francisco branch did the business for Dr. Hoppe and the others. I find by my file that on the 16th of June I wrote to Mr. Cambie, manager of the Bank of Commerce, Ottawa:—

“Dear Sir,—The Department of the Interior has written us a letter, a copy of which we enclose, with reference to Dr. Hoppe’s coal leases. We have not had anything to do with this branch of his business and we are forwarding you a copy of this letter in order that you may get in touch with the matter in case it is of any interest to you. We have also forwarded a copy to Dr. Hoppe’s last address. We would be obliged if you would let us have any information which you may have with reference to the matter.”

On the same date we wrote Dr. Hoppe at the only address which we had to the following effect:—

“DEAR SIR,—We beg to enclose herewith copy of letter received to-day from the Department of the Interior with reference to rentals on your coal leases. As we never had anything to do with these matters we would be glad to have your instructions if you wish us to act.”

We received no reply from Dr. Hoppe; but we received a reply from Mr. Cambie, the manager of the Bank of Commerce, which is dated June 25, 1915, enclosing a copy of a letter which he wrote to Mr. Rowatt, on June 25, forwarding an official cheque for \$18,951.60. That was in the year 1915.

Following that, on May 6, 1916, we received a notification from Mr. Rowatt on the same terms as the former one; that is to the effect that if we were still acting for the above gentlemen, would we kindly instruct that early payments should be made and instructing the amount of rental. This letter was forwarded by us to the manager of the Canadian Bank of Commerce, Mayne D. Hamilton, on May 9, under cover of our letter as follows:—

“We enclose copy of letter received by us from the Department of the Interior with reference to rental on mining leases held in the name of Paul Isenberg.

The Canadian Bank of Commerce through its San Francisco agency used to attend to these payments. The Department of the Interior have notified us because we once had some connection with a railway charter running into this area. Would you please take this question up with your San Francisco branch with a view to finding out what these people wish to do.”

This was acknowledged on the 10th:—

“We beg to acknowledge receipt of your letter of 9th May, and have had pleasure in communicating with our San Francisco branch as requested.”

On April 25, 1917, Mr. Rowatt again writes us giving a statement of the rentals in this matter, but omits the usual statement if we are still acting for this gentleman, and simply says he begs to inform us that the annual rentals will become due as follows. No doubt a copy is on file. This letter we forwarded on the 25th to the manager of the Bank of Commerce, saying:—

“DEAR SIR,—This letter was forwarded to us from the Department of the Interior. Our recollection is that Dr. Hoppe did business through your bank in Francisco and that these rentals were usually paid through the agency of your bank. We are sending the notice along to you.”

This is acknowledged by the Bank of Commerce on May 14, by the manager, saying:—

“Referring to your favour of the 26th inst., we beg to advise that we forwarded a copy of the letter from the Department of the Interior to our San Francisco branch, requesting them to take the matter up with Dr. Hoppe. We to-day received a letter from them stating that Dr. Hoppe had advised them that he would communicate direct with the department here regarding these leases. We return herewith the letter referred to from the department addressed to you dated 25th April last.”

The next letter I find on my file—

Q. Did you acknowledge receipt of that from the Interior Department?—A. No, I never wrote the Interior Department by reason of the fact that I had already communicated to Mr. Rowatt that we had no connection with the matter.

On June 8, I find a letter from Mr. Rowatt stating:—

“I beg to enclose herewith for your information a copy of a communication which has been sent to Dr. R. Hoppe, respecting the rental due in respect to certain coal mining leases recorded in the name of Mr. Paul R. Isenberg.”

I seem to have sent the original of this communication to the manager of the Bank of Commerce on June 21st:—

“We beg to hand you herewith notification sent us by the Department of the Interior for Dr. Hoppe. We think that your bank in San Francisco handles his business. We do not know his present address.”

This is not acknowledged by the Bank of Commerce.

The next communication I received was on August 2, 1918. On August 2, 1918, I forwarded the communication of the Department of the Interior to the bank with a letter stating:—

“We have a communication from the Department of the Interior which may interest your San Francisco branch. We think that they used to look after Dr. Hoppe's affairs.”

That is acknowledged on August 3rd:—

“Referring to your letter of 2nd instant we have to-day forwarded the enclosures to our San Francisco branch for delivery to Dr. Hoppe.”

That is the complete file.

Q. Had you any knowledge about Dr. Hoppe being arrested in October, 1914?—A. In October, 1914, I saw Dr. Hoppe at the Chateau Laurier, Ottawa, and received instructions from him to procure an extension of time for his railway charter. I saw in the newspapers shortly afterwards that Dr. Hoppe had been arrested in Montreal. At the first opportunity I asked Sir Percy Sherwood about the matter as I wished to know what Dr. Hoppe's position was. Sir Percy informed me that Dr. Hoppe was arrested, but that there was absolutely nothing against him; that he was immediately released, and that he was an American citizen, which I knew. I asked Sir Percy if there were any documents or anything incriminating found on his person, and Sir Percy said no, the only papers he had in his possession were some plans of a coal mine. As soon as he gave me this information I felt free to act in the railway charter.

By Hon. Mr. Bostock:

Q. That is practically all you know? That ended, so to speak, your association with Dr. Hoppe?—A. I got the renewal of the charter.

By Hon. Mr. Watson:

Q. The renewal of the charter?—A. Yes; that was in 1915.

By Hon. Mr. McLennan:

Q. What is the status of that renewal now?—A. The status of the charter is that the powers of construction lapsed in 1917, but an application could at any time be made to Parliament for the usual extension of time, and if Parliament choose to grant the extension of time for construction, the charter would be a perfectly good charter.

By Hon. Mr. Bostock:

Q. But the time for completion has not expired yet?—A. The time for completion has not expired, but there was no work done during the two years.

By Hon. Mr. McLennan:

Q. It is usual, Mr. Guthrie, to grant these extensions?—A. So far as I know.

Q. Any application you have made for similar extension has been granted?—A. Oh, yes.

Q. Always?—A. Yes.

By Hon. Mr. Barnard:

Q. They are not granted unless they are asked for?—A. Certainly not.

By the Chairman:

Q. You were not instructed to ask for extensions?—A. I was not instructed, no. There may be some correspondence in connection with that.

By Hon. Mr. Willoughby:

Q. Where was that road to be built, Mr. Guthrie?—A. My recollection is that it was from a place called Lac Brûlé, on the Grand Trunk Pacific Railway, in a general northerly direction.

Q. To the mines, I presume?—A. Yes. The intention was to charter the railway for the purpose of getting out the coal in the coal mines which I understood they had.

By Mr. Bostock:

Q. You stated, Mr. Guthrie, that Dr. Hoppe was an American citizen. Did you know anything about Mr. Isenberg, his partner?—A. No, I knew nothing about Mr. Isenberg. Dr. Hoppe stated to me himself that he had been naturalized in the United States in, I think, 1873.

By Hon. Mr. Barnard:

Q. You did not see his naturalization papers? It is just what he told you?—A. Sir Percy Sherwood also gave me the information in connection with the proposed cancellation Mr. Cory has spoken of.

By the Chairman:

Q. Sir Percy Sherwood spoke to you about the cancellation of the leases? Did he say anything to you about that?—A. Yes, he had a conversation with me on that subject.

Q. As being the representative of Dr. Hoppe?—A. I think it was because I had originally spoken to him about Dr. Hoppe.

By Hon. Mr. McLennan:

Q. Will you tell us what he said?—A. It was a confidential conversation but if the committee order me to do so, I will say what he said.

By the Chairman:

Q. I think it very important we should know, if it is relevant to the discussion?—A. I think it was in the latter part of 1917 Sir Percy Sherwood approached me after lunch in the Rideau Club and he said to me something to this effect. He said: “The Government is very anxious to forfeit the coal leases which are standing in the name of that man that you spoke to me about.” I said: “Dr. Hoppe?” He said: “Yes, Dr. Hoppe and Mr. Isenberg.” He said: “The difficulty in the way is that they are not alien enemies and that we cannot forfeit them under the ordinary provisions of the law,” and he said something along the lines that Mr. Cory has indicated—that he had in his possession some evidence that was of a very unpleasant character about them. But he wondered if I could give him any information about them. I said I knew nothing whatever about them; that I had not heard anything further from them; that I did not even know where they were. And that is the substance of the conversation as I recollect it.

Q. This was in 1917?—A. Yes. I would not state positively.

Q. After the men had been arrested in Montreal and liberated?—A. That was three years after that.

By Hon. Mr. McLennan:

Q. And after you had asked him about those men?—A. The reason he spoke to me was, he said, that I had spoken to him once about these men.

By Hon. Mr. Watson:

Q. Before you proceeded with the railway charter you inquired of Sir Percy Sherwood?—A. I know, because I had seen he had been arrested, and I wanted to know how he stood.

By Hon. Mr. McLennan:

Q. Did he give you any closer information as to what he meant by "the Government"?—A. No, he did not. I did not feel called upon to press that question, because I assumed he was acting under some official authority.

By Hon. Mr. Michener:

Q. You state that he said to you that the Government were anxious to cancel these leases, was that it?—A. I understood him to say, Senator, that the Government wished to forfeit the property.

Q. I see.—A. On the ground that it was in the hands of people who were alien enemies—or anti-British and that the difficulty in the way was that they were not alien enemies, that they were American citizens. That was my understanding.

Q. Did he mention any one in connection with the Government particularly, or just speak in general terms?—A. No, he did not. As I say, I did not feel called upon to ask him any questions on that.

By Hon. Mr. Blain:

Q. In respect to the railway charter was your application refused by the Government?—A. Oh, no, the extension of time was granted in 1915.

Q. And it expired and you did not make any further application?—A. I had no further instructions.

By Hon. Mr. Bostock:

Q. That would expire in 1917?—A. That would expire, that is, through failure to construct within two years. I think the extension was in the usual form, two years and five years.

The CHAIRMAN: Is it the will of the Committee that Col. Thompson be allowed to ask some questions? Col. Thompson desires to do so as counsel for the other people. I presume that is how you appear, Mr. Thompson—as counsel for the present holders?

Col. THOMPSON: Yes.

The CHAIRMAN: Is it the will of the Committee?

Hon. Mr. MICHENER: I do not think there is any objection, Mr. Chairman. We want to be perfectly fair.

Col. THOMPSON: I will not be very long, Mr. Chairman, but I feel that I am personally involved in this matter somewhat, because in appearing before your committee in support of the Bill I referred to Messrs. Pringle and Guthrie as solicitors for Dr. Hoppe, and I desire to put a few questions to show why it was.

Hon. Mr. BLAIN: In support of what Bill?

Col. THOMPSON: In support of the application at this Session for the railway charter. I just want to ask in the first place, Mr. Guthrie, whether you communicated this conversation which you had with Sir Percy Sherwood to Dr. Hoppe?

Mr. GUTHRIE: No.

Col. THOMPSON: There was nothing of that kind?

Mr. GUTHRIE: I treated it entirely as a confidential conversation, and I assumed that Sir Percy Sherwood was acting as a high officer of the Government, under instructions probably and that our conversation was entirely confidential.

Col. THOMPSON: And if I may address the committee for a moment—I am not questioning Mr. Guthrie's bona fides when he says he was not solicitor for Dr. Hoppe in this matter, but I want to show some reasons why the department might well think that he was so.

The CHAIRMAN: I do not know that that is important—

Col. THOMPSON: Did you ever appear in Mr. Rowatt's office with Dr. Hoppe?

Mr. GUTHRIE: Never, so far as I recollect.

Col. THOMPSON: You never appeared?

Mr. GUTHRIE: Never.

Col. THOMPSON: And you have told the Committee that you received a number of communications and that you made no replies to them?

Mr. GUTHRIE: I have no trace of replies, and my recollection is—

Col. THOMPSON: You have nothing on the file?

Mr. GUTHRIE: I think that is quite correct.

By the Chairman:

Q. I think there was one letter on the file, which you wrote to Mr. Rowatt?—

A. No, that was from the manager of the Bank of Commerce to Mr. Rowatt.

Col. THOMPSON: But you did notify the Bank of Commerce? You have read the letters, which of course explain themselves, saying that you were not the solicitor and calling their attention to the fact.

Mr. GUTHRIE: I knew, as a matter of fact, that the Bank of Commerce did their business, and I thought it was my duty to forward it to anybody who could communicate with the party affected.

Col. THOMPSON: You quoted a letter from Mr. Rowatt, written to you on June 15, 1915?

Mr. GUTHRIE: Yes.

Col. THOMPSON: And part of which read: "If you are still acting for the above-named gentleman, early payment should be made," etc. You have had no personal knowledge as to whether the bank did take action with the department as to that?

Mr. GUTHRIE: No, I have only the copy of the letter which Mr. Cambie sent me, as having been sent to Mr. Rowatt; that is, his letter of June 25, 1915, to H. H. Rowatt, in which he says: "We have to thank you for your letter of this date"—(showing that apparently Mr. Rowatt had written to him direct and that this was in reply to his letter)—"advising us that the rental for the eight leases for certain coal mining locations standing recorded in the name of Paul R. Isenberg amounts in all to \$18,971.67, for which we have pleasure in enclosing our official cheque."

Col. THOMPSON: I would like to call the attention of the committee to the fact that there is on that file a letter in 1916, about the same date—I have not got the exact date—it is written by Mr. Cambie to Mr. Rowatt. Perhaps Senator Bostock can find it. There is a letter from Mr. Rowatt to Messrs. Pringle and Guthrie, dated June 15; so it would be approximately that date.

Mr. GUTHRIE: The letter was dated May 6, 1916.

Col. THOMPSON: May 6, 1916?

Mr. GUTHRIE: That is right.

Col. THOMPSON: In which Mr. Cambie writes as follows. You will find the letter there. Mr. Cambie, manager of the Bank of Commerce, writes to Mr. Rowatt as follows: "At the request of Messrs. Pringle and Guthrie, we communicated with our San Francisco branch and beg to enclose herewith our official cheque."

Mr. GUTHRIE: That is correct.

Col. THOMPSON: That is correct.

Mr. GUTHRIE: My letter said, if you notice: "Would you please take this up with your San Francisco branch?"

Col. THOMPSON: Quite so. I desire merely to point out that Mr. Rowatt, not knowing of these letters between Mr. Guthrie and the Bank of Commerce, received a

letter from the bank which says: "At the request of Messrs. Pringle and Guthrie, we communicated with our San Francisco branch," which surely was good grounds for Mr. Rowatt to think that these gentlemen were probably solicitors still.

Hon. Mr. WATSON: But Mr. Guthrie says he notified Mr. Rowatt he was not representing these people in the coal lands.

By Hon. Mr. Michener:

Q. You stated, I think, that upon your investigation you found nothing against Dr. Hoppe as far as concerned his being a pro-German or alien enemy, or anything, at the time you were considering his railway matter?

Mr. GUTHRIE: The original railway charter was granted before the war, in 1913. After the war, as I say, I met Dr. Hoppe once in October, 1914, and received instructions. The only inquiries I was able to make were made, I thought, from the proper quarter—from the head of the Dominion Police, who had arrested him and had examined him and released him and sent him out of the country. I may say that Dr. Hoppe—

By Hon. Mr. Watson:

Q. You say, "sent him out of the country"?—A. Wrote me to proceed. I have a letter on my file in which Dr. Hoppe, subsequent to that, speaks of returning to Canada, etc. So I supposed he was a free agent.

Q. Allowed to go home?

By Hon. Mr. Michener:

Q. You have heard nothing since?—A. No, I have heard nothing further. Here is a letter from Dr. Hoppe written on December 21, 1914, from Oakland. He says: "We Americans are all watching with hope in our hearts that it will end soon."

That is, the war.

"May happiness and peace soon be with the people of your glorious country. It is just possible that I may come to Canada soon. I intend going east for the holidays and am planning to continue on to Canada, returning home by way of the Pacific coast."

On receipt of that note I assumed he was free to come or go, as far as Canada was concerned, and, as Sir Percy Sherwood had cleared up all my doubts on the subject, I felt quite free to act.

Col. THOMPSON: I would ask, Mr. Chairman, that Mr. Rowatt be recalled for a moment, with regard to this point. Mr. Rowatt, do you remember Dr. Hoppe coming to your office with Mr. Guthrie on any occasion?

Mr. ROWATT: No, I couldn't say positively that I ever remember his coming.

Col. THOMPSON: And this telephone conversation, do you remember?

Mr. ROWATT: I don't remember it, no. I have no doubt at all that Mr. Guthrie did.

Col. THOMPSON: I do not think anybody had any doubt.

Mr. ROWATT: But I do not remember it.

Col. THOMPSON: Had you remembered it, you would not have kept on writing to Messrs. Pringle and Guthrie.

Mr. ROWATT: Very naturally, if there had been anything on file showing they were no longer the agents, I would have ceased writing them.

Col. THOMPSON: But there was nothing on the file; merely this telephone conversation that you do not personally recollect.

Mr. ROWATT: No, I do not recollect it.

Hon. Mr. WATSON: There is nothing on the file to indicate they were not?

Mr. ROWATT: No.

FRIDAY, June 27, 1919.

SAMUEL J. ROBINS, of Montreal, appeared as a witness, and, having been duly sworn, testified as follows:—

By Hon. Mr. Bostock:

Q. Mr. Robins, you were assistant secretary—I think, Mr. Cory stated—to the minister?—A. I was private secretary to the Superintendent General of Indian Affairs. The Superintendent General of Indian Affairs is the same minister as the Minister of the Interior.

The CHAIRMAN: Two in one.

Mr. ROBINS: So that the Minister of the Interior really has two secretaries.

By Hon. Mr. Bostock:

Q. Have you any recollection of what was the information that you asked for which caused Mr. Rowatt to write you the memorandum of the 12th of January? I think you have heard it read?—A. I have heard it read, yes. Well, I do not recollect. I presume if you would go through the files of the department you would find a very large number of memoranda addressed to me. Letters would come into the minister's office asking information, and instead of sending the letter to the department we would frequently 'phone to ask the chief of that particular branch for information, or, if the case was not an urgent one, we might send a memorandum to that chief and ask him. We frequently sent them to the deputy minister; not invariably, though; sometimes they would go direct to the chief of the branch. I do not recall at the moment definitely what led up to that memorandum, unless it was a conversation I had in the rotunda of the Chateau Laurier with Mr. Albert Bradbury, who, I think, is a brother of Senator Bradbury. I was in the Chateau Laurier. I do not remember the date. If Mr. Bradbury were here he could tell me. If I were in uniform I might be able to recall it more specifically, but I do recall a conversation I had with Mr. Albert Bradbury in the rotunda of the Chateau Laurier. It was a very cold day and we were discussing the severity of the weather, the shortage of coal, the scarcity of fuel. I think I mentioned something that Senator Michener mentioned some time ago—the people in the West had to break up their furniture to prevent themselves from being frozen to death. Mr. Albert Bradbury said: "My! Wouldn't it be a great thing if only we could get hold of an area of anthracite coal. We would make a great pile of money out of it." And I remarked: "There is an area in northern Alberta at present, I think, controlled by a syndicate of Germans, but which I would like to see in the hands of some British interests, operated and the fuel supplied to the people who at present are suffering to such a great extent." Mr. Albert Bradbury asked me, I think, for some information—which is a very ordinary thing. We received hundreds of similar requests, as Senator Bradbury will know. I have handed to him scores of memoranda received from different branches in the department. And Mr. Albert Bradbury said he would take the matter up with Sir Rodolphe Forget; he would get Sir Rodolphe to go to the Minister of the Interior and insist that the leases be cancelled, and Sir Rodolphe would go in and take hold of the area, finance it and operate it. I think probably this memorandum you now refer to was a result of the conversation to which I have just alluded. That was simply to furnish Mr. Albert Bradbury with some information regarding the regulations. I do not recall any other incident.

By Hon. Mr. Bostock:

Q. You apparently raised the question as to whether they had been called upon to develop the mines by putting out coal, under that section of the Mining Regulations?—A. It was not only regarding the regulation.

By Hon. Mr. McLennan:

Q. What was Mr. Bradbury's connection with Sir Rodolphe?—A. I rather think he represented Sir Rodolphe in Ottawa; I am not sure; the senator could tell us.

By Hon. Mr. Watson:

Q. Would that be a customary thing for Sir Rodolphe to get the information for Mr. Bradbury?—A. Oh, very customary.

Q. The controller has just told us that they would not give that out?—A. It would all depend on the nature of the memorandum.

Q. The memorandum was read?—A. We may not give the memorandum, but the minister receiving a request for information, we would get a memorandum from the Chief of the Branch, and base a letter on it.

Q. Did the Minister ask for that memorandum?—A. Oh, no.

Q. You asked for that yourself?—A. Yes.

Q. And gave that to someone outside?—A. It is simply a memorandum regarding regulations.

By the Chairman:

Q. When you got that information, Mr. Robins, did you tell him that you wanted the information for yourself or for the Minister?—A. I never would say whether it was for the Minister or myself; I simply would call up Mr. Rowatt and ask for the memorandum, or we would call the chief of any other branch and ask for the memorandum. We would never say whether it was for the Minister or whether it was for myself.

Q. Did you approach any one else besides my brother in this connection?—A. No, never. And, by the way, I won't allow it to be said that I approached your brother.

Q. We will have him here now that you have brought him in?—A. Yes, but your brother raised the question of an anthracite area before I said a word at all.

Q. Do you remember giving my brother some papers in this connection?—A. Possibly I gave him a copy of that memorandum.

Q. Anything else with it?—A. I don't recall anything else.

Q. Did you never speak to Dr. Shillington about this area?—A. No.

Q. You swear you never spoke to Dr. Shillington about it?—A. Well, no, I won't do that. Col. Shillington asked me on one occasion if the area was surveyed or unsurveyed; he asked for the information in a departmental way.

By Hon. Mr. McLennan:

Q. That was after the conversation with Mr. Bradbury?—A. Oh, yes.

By the Chairman:

Q. When was it that you had the conversation with my brother?—A. I really could not give the date, Senator; I wish I could. The only thing I can recall is that it was in the Chateau Laurier, in the rotunda, and that it was a very cold day.

Q. Were you ever in my brother's office talking it over?—A. No, never in your brother's office. I don't know that I was ever in your brother's office in my life.

By Hon. Mr. McLennan:

Q. It would probably be about the winter of 1917-18?

Hon. Mr. Bostock: This memorandum is in the winter of 1917-18?—A. I think I was out of the Department, in the Canadian Expeditionary Force, from February, 1916, until August, 1917. I think it was August or September, 1917, that I returned to the Department.

By Hon. Mr. Watson:

Q. But you were in the office when you asked for that memorandum?—A. Yes.

By the Chairman:

Q. Did my brother go to the office to see you?—A. No, not on this matter; he has been on other matters.

Q. This did not take place in the office?—A. No.

By Hon. Mr. McLennan:

Q. Mr. Bradbury, then, was the only person with whom you discussed this matter until cancellation?—A. In the course of conversation. Mr. Bradbury was the only one.

Q. How long is it since you left the Department?—A. The end of May.

By the Chairman:

Q. Since you have introduced this question, there must be something more. Did my brother ever approach you again on this question?—A. Only in this way, that sometime after that he told me he had taken it up with Sir Rodolphe Forget, and Sir Rodolphe had decided to have nothing to do with it.

Q. So he did not make a big bunch of money out of it?—A. No.

Q. And did not help to crowd the Germans out?—A. No.

Q. You made the statement here that he said he would get Sir Rodolphe's influence to help cancel the lease, and they would make a big bunch of money out of it?—A. Yes.

By Hon. Mr. Watson:

Q. Did you know those lands were liable to be cancelled?—A. At that particular time?

Q. When you asked for the memorandum?—A. No.

Q. What was the object of asking for the memorandum?—A. Just asking for the standing of the leases.

By Hon. Mr. Bostock:

Q. You did not make a suggestion that they might be cancelled? Did you know what the meaning of the regulations was?—A. I had a general knowledge. Of course we had all the regulations of the department in our office. I had a general knowledge of them; it was difficult to remember all of them.

By the Chairman:

Q. Did not you point out to my brother how these things could be cancelled?—A. No, because I did not know how it could be done.

Q. You are pretty innocent?—A. I mean the only regular way in which it could be done would be for the lessees to fall down in the payment of their rental.

By Hon. Mr. Watson:

Q. Unless they were alien enemies?—A. Unless they were alien enemies.

By the Chairman:

Q. Have you any knowledge at all of the department taking action to have those leases cancelled, after Sir Percy Sherwood or some one else got information about these men?—A. Not a single syllable.

Q. Never heard of it?—A. Never heard of it. Well, I mean not while I was in the department; not before the leases were cancelled. Statements have been made here with regard to Dr. Hoppe's arrest in Montreal in 1914. I knew nothing of it until the fall of last year, the end of last year. I did not hear a word about it.

By Hon. Mr. Bostock:

Q. When did you know the leases were cancelled?—A. When the file went through the department.

Q. You were in the department?—A. Yes.

Q. You left the department when?—A. The end of May.

By Hon. Mr. McLennan:

Q. Just the other day?—A. May of this year.

By the Chairman:

Q. You had never discussed this cancellation of these leases or the standing of Dr. Hoppe or Isenberg with any of the department of Sir Percy Sherwood?—A. No.

Q. Or with himself?—A. Never, never.

Q. Did not know they were taking any proceedings?—A. Had not the remotest idea.

Q. Had not any idea that there was a question as to the loyalty of these men?—A. None whatever.

By Hon. Mr. Bostock:

Q. Did you fix the date when Col. Shillington asked you whether these were surveyed or unsurveyed lands?—A. I could not say, sir.

Q. He approached you in the matter?—A. Well, yes—well, we were in the course of a general conversation on various topics and he just asked me if this was surveyed or unsurveyed territory.

Q. Was that in your office?—A. No, it was out of the office.

Q. So you would know as soon as this file went through the department that these leases were cancelled?—A. Well, I would know the minister had cancelled them when the file went through, if I happened to be in the office when they did go through. Hundreds would go through without my seeing them.

Q. Do you remember whether you saw this file?—A. I think I did.

By Hon. Mr. Watson:

Q. This file evidently did not rest in the bottom of the basket very long; there was not much delay?—A. They never do; once the minister has passed upon them they go out as quickly as we can get rid of them.

By Hon. Mr. McLennan:

Q. Do I understand that you were the minister's secretary of this department?—A. Indian Affairs.

The CHAIRMAN: It is the same minister.

By Hon. Mr. McLennan:

Q. You and the other secretary worked in the same room?—A. Yes.

By Hon. Mr. Watson:

Q. You must have been recognized as the secretary of the minister, or you would not have got that?—A. Oh, certainly.

By the Chairman:

Q. Who was the minister who authorized this cancellation?—A. I really do not recall whether Mr. Meighen was at home or not. You see, there is such a rush of these files through the office—if you give me the date of the cancellation I could tell you then.

By Hon. Mr. Bostock:

Q. The cancellation was made on the 1st of August?—A. That is the time Mr. Meighen must have been in England.

By the Chairman:

Q. You don't know who was acting minister?—A. I think Mr. Sifton.

Q. Did you see his authorization on the files?—A. Oh, yes, I would not let it go out of the office unless I saw it.

Q. Were you in charge of the office? You or Mr. Mitchel? You said you would not let it go out. Would it necessarily go out through your hands?—A. If it came out without the minister's O.K., I would call Mr. Mitchell's attention to it. We look to see that every file is O.K. before we let it go out.

FRIDAY, 27th June, 1919.

A. J. CAWDRON: Acting Commissioner of Dominion Police, appeared as a witness, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. Mr. Cawdron, do you remember when Sir Percy Sherwood was dealing with this case under discussion?—A. No. I came here to try and give you some information; but I have learned a lot. I have learned more information than I can give you.

I asked the filing clerk for the file concerning Hoppe and Isenberg, but I do not see anything there about his ever being arrested, it is news to me. Of course, that may happen in this way: If he was arrested in Montreal and just looked over and released they would have a record in Montreal and we would not have it in Ottawa.

Q. You never heard anything from Sir Percy Sherwood to lead you to suppose he had been arrested?—A. If you had asked me, say over the telephone, "Have you any record about a Dr. Hoppe, at all? I would say, "Yes, I am pretty sure we have; that name seems familiar." Of course, we have about 150,000 that we have investigated, but the Hoppe name was familiar. I would have said, "Yes, we have." but if you had said, "Was he ever arrested"? I could not say, and I would get the file. I said to the filing clerk, "Have you a file about Dr. Hoppe and a man named Isenberg?" He said "Yes." I said, "You might let me have it, please." I cannot find anything there to show that he was arrested but he might have been picked up in Montreal, perhaps in one of the hotels, and looked over, and may have produced his naturalization papers and satisfied them that he was an American citizen.

By Hon. Mr. Watson:

Q. Have you any information about Hoppe's name in any other connection?—A. I had not in the file, but the name did seem familiar.

Q. Hoppe and Isenberg would sound like pro-Germans?—A. Yes; I think we have had several Hoppe's.

By the Chairman:

Q. Do you remember having any instructions from any of the departments, or any conversation with any of the officials of the departments regarding this matter?—A. None whatever.

By Hon. Mr. McLennan:

Q. There is nothing in the file?—A. This thing first came up, I see, through Sir Charles Hibbert Tupper. He writes to Sir Percy in July, 1917, enclosing an original

letter to him from a Fred G. King, consulting mining engineer, San Francisco. He says:—

“ Dear Sir Charles,—There is a man by the name of Reinhold Hoppe, who lives in Oakland, California, a German by birth, an educated man who has done some pretty big things in the world, of whom as follows:

“ Dr. Hoppe is well acquainted in Canada, and controls and owns an immense and I believe very valuable coal area in Alberta, and who is at the present time negotiating with Germans, and people who are notoriously pro-German, in Honolulu for these properties.

“ This information I have obtained from a reliable source, from a gentleman who is a Canadian, and it will be unnecessary to comment further thereon, other than to say that the purchase of these properties by German parties can be nothing less than inimical to the interests of Canada, inasmuch as although after the war there will doubtless exist an abiding prejudice against Germans, the bitterness will not be so great in United States, especially in California, and the business concerning these properties could be easily handled from San Francisco.

“ A remark made by Dr. Hoppe was that he hated to accept a Japanese offer, because it would not be patriotic in him as a German.

“ I remember now distinctly what Dr. Hoppe told me more than a year ago, that he was so well and favourably known in Canada that the Dominion Government had rebated his taxes amounting to more than thirty thousand dollars per annum for a period of five years.

“ Now I comment on this as follows: that Dr. Hoppe is absolutely treacherous and a liar through and through, pretending while in Canada to be friendly to British interests, while, as a matter of fact, he is worse than any ordinary spy, and an exceedingly dangerous man because of his age, his education, and his worldly experience.

“ I leave the matter to your judgment, feeling that you will know best what should be done in the premises.

“ With kindest regards,

“ Yours very sincerely,

(Sgd.) “ FRED G. KING.”

By the Chairman:

Q. Who is Mr. King?—A. A consulting and mining engineer, 204 Sharon building, San Francisco.

Q. That is all you know about him?—A. That is all I know about him.

Q. He sent that to Sir Charles Hibbert Tupper?—A. Yes, who sent it to Sir Percy.

By Hon. Mr. Barnard:

Q. I suppose that is what started inquiries?—A. Yes. Sir Percy just writes acknowledging it.

By Hon. Mr. Watson:

Q. What was the date of that letter?—A. Sir Charles Hibbert Tupper's letter is the 31st of July, 1917. Sir Percy's answer is the 5th of August, 1917.

Then I have a confidential one. Then it goes on:—

“ Dr. Hoppe represents (Reading letter) Both he and his wife ridicule America,” and so on.

By Hon. Mr. McLennan:

Q. Do you know who wrote that?—A. Yes.

Q. A person of standing?—A. Yes, it is a big man in the United States—in the War Office in the States.

By the Chairman:

Q. Sir Percy Sherwood, I presume, had all that before him?—A. Yes. This is sent on to him. “My Dear Sherwood,—On the chance that it may interest you”—This is from the British Embassy at Washington.

Q. What is the date of that?—A. The 27th of November, 1917, and on the 30th of November the British Embassy at Washington forwarded it to Sir Percy. He writes back to the British Embassy:—

“I am in receipt of yours of”—such and such a date. “I had already received an intimation and had inquiries made. Being an American citizen, he is a difficult proposition to deal with, as also is Isenberg, of Honolulu. The information is, he pays his rental for the property regularly through the bank at San Francisco. Being out of the country he is not a menace to us, whatever he may be to the United States. The bank through which he has his dealings keeps me informed regarding him. I have taken a copy of the enclosure and now return the original.”

By Hon. Mr. Watson:

Q. That is Sir Percy’s letter?—A. Yes.

Q. Then he writes a letter thanking the manager of the Canadian Bank of Commerce for the tip he gives about him.

By Hon. Mr. Bostock:

Q. There is nothing on that file that would justify you in taking his property as an alien enemy?—A. No, it states distinctly that he is not. It says distinctly that he was naturalized in 1876. He became a naturalized American citizen in San Francisco on the 24th of October, 1876, in the Nineteenth District Court, and, his naturalization was recorded on the 25th of October, 1876.

By Hon. Mr. McLennan:

Q. That is dependable evidence?—A. Yes, what I am reading now is from the manager of the Bank of Commerce, Ottawa, to Sir Percy Sherwood, “Recalling our conversation.”

By Hon. Mr. Watson:

Q. Have you anything about Isenberg’s nationality?—A. No, he does not say that; but there is one here—I can give you the substance of it. In fact Mr. Cory read both these cypher cables about the “utter untrustworthiness of Isenberg and Hoppe, both of whom work for Germany.”

Q. We got these before?—A. Sir Percy Sherwood sent a copy of it. That is all I have got here about either of them.

By Hon. Mr. McLennan:

Q. You do not know anything more than that?—A. Nothing whatever. I have been in the office continually.

Q. Sir Percy Sherwood is away?—A. He is in England at present.

By Hon. Mr. Michener:

Q. It might be of interest to know whether this was written before the United States went into the war or not?—A. They went in in April, 1917; this was in December of 1917, I think.

Q. After they went into the war?—A. The 28th of July, 1917, was the first. That would be shortly after they went into the war.

By the Chairman:

Q. Did it ever occur to you that if he had been such a dangerous man the Americans might have interned him over there?—A. It did not until I got this file to-night.

Q. Did it not strike you?—A. If they considered he was a dangerous man, they would.

Q. They would have interned him?—A. Yes, they would have done it.

Q. These letters are just from private individuals. You do not know what interest they had in writing those letters?—A. King may have wanted to get the leases cancelled.

Q. Just as likely as not—A. One is from the British Embassy.

By Hon. Mr. McLennan:

Q. There is one written by a person whose name you would not disclose?—A. A big man in the American Navy, to the British Embassy.

By Hon. Mr. Barnard:

Q. He was giving you information with regard to this so that the Canadian Government would know? He was not concerned about the American end?—A. No doubt the Americans got this information when it was given to us.

By the Chairman:

Q. At the same time as you got it?—A. Yes. If they considered he was a menace, they would have interned him.

Q. Quite possibly a mining engineer might have been after these coal leases?—A. Yes.

By Hon. Mr. McLennan:

Q. Sir Charles Tupper says the first man was a friend of his?—A. A friend of his.

Q. And quite reliable?—A. A good Canadian.

The CHAIRMAN: That might all be through a mining engineer who knew this land and took his opportunity, as some others did.

FRIDAY, June 27, 1919.

CHARLES AUSTIN BARNARD, K.C., of Montreal, appeared as a witness, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. You have not been summoned, have you?—A. I have not been summoned, but my name has appeared and statements have been made and I would like to put on record what I know about it. I happen to be related to somebody and I think that relationship has been mentioned.

By the Clerk of the Committee:

Q. What is your name?—A. Charles Austin Barnard.

Q. Of Montreal?—A. King's Counsel, Montreal; age 52.

By Hon. Mr. Bostock:

Q. You want to make a statement, Mr. Barnard?—A. I wish to explain to the committee.

Hon. Mr. WATSON: Excuse me. I want to ask Mr. Cory one or two questions. Did Sir Percy Sherwood communicate to you the fact that he had ascertained that these gentlemen were American citizens?

Mr. CORY: Certainly not. The whole conversation led me to believe that they were Germans and were not American citizens. He came to see me after he got that second letter.

Hon. Mr. WATSON: Did he tell you they were alien enemies?

Mr. CORY: I would not swear he told me so, but he certainly did not tell me they were American citizens.

The CHAIRMAN: If you had known they were American citizens and not alien enemies you would not have acted as you did?

Mr. CORY: I do not know that I would not, if the information about them that had been given to me was true.

The CHAIRMAN: With the information you had, I mean?

Mr. CORY: Yes; with the information I had, I think perhaps I would have acted in the same way whether I had known they were or not.

By the Chairman:

Q. Just make your statement, Mr. Barnard?—A. I became interested in the coal areas under the following circumstances: Col. Shillington came to my office in Montreal some time in May, and told me he had met some friends of mine in England.

By Hon. Mr. Watson:

Q. What year?—A. This current year—or rather 1918. I did not know Col. Shillington at the time, never having heard of him. He told me he had met some friends of mine in England, and they had told him to come in and see me, and talk various Canadian matters over. He came back in the end of June or the beginning of July, and told me he had learned that some coal areas which belonged to Germans would be—were in the position that the rentals had not been paid, and the question would arise as to whether they would be forfeited or not, and asked if I would be interested. I told him that my experience of coal had not been satisfactory and it did not appeal to me. He came back a little later and told me that these were very valuable coal areas, that he had ascertained that they were about the only coal of an anthracite nature that we had in the West, and I told him at the time that it would be better to wait until we saw whether lease would be cancelled or not.

He came back early in August and had a written report that I think he had made out, giving me the particulars of these areas, and told me that they were going to be cancelled. That was early in August. I told him if they were cancelled that I did not see why we could not become interested in them, and that I would be willing to help. I had no other information or conversation with anybody whatsoever, either in Ottawa or anywhere else.

The next information I had was that the leases had to be paid for, and I arranged the financial part of the matter.

By Hon. Mr. Bostock:

Q. I did not catch the name of the gentleman who gave you this information?—A. Col. Shillington.

By Hon. Mr. Michener:

Q. And the date?—A. He first came to me on his return from England; it must have been in June; he did not talk of business.

Col. SHILLINGTON: I brought a letter to you?—A. Yes.

By Hon. Mr. McLennan:

Q. A friendly visit?

Mr. BARNARD: Yes. He came back later in July, and it was at that time that I said, "You had better wait and see what is going to happen to these leases." Afterwards he told me the leases were going to be cancelled, or had been cancelled, and I had no conversation or connection with anybody whatever in Ottawa or anywhere else.

By the Chairman:

Q. Did you go out west?—A. No, sir, I certainly did not.

Q. You did not stake any of these claims?—A. No, sir.

Q. How did you arrange that?—A. I had nothing whatever to do with that. I was told they had been properly staked, and after having been staked, as is usual in such matters, the people who had staked them were transferring their interests to somebody who would take the lease. We have done that hundreds of times over; nobody will go into a coal area and merely have the area that one man will stake. If you are going into a coal proposition, you have to line up 15,000 to 20,000 acres.

By Hon. Mr. McLennan:

Q. All you did was to provide the money?—A. Yes, sir.

By Hon. Mr. Watson:

Q. At what date did you provide the money?—A. It must have been about the autumn that it was paid.

By Hon. Mr. McLennan:

Q. In the late autumn?—A. In the late autumn, yes.

By Hon. Mr. Watson:

Q. You provided the money to pay the Government for the lease?—A. I provided the money to pay the Government for the lease.

By Hon. Mr. Michener:

Q. Would you mind stating to the Committee who signed that letter, and whom it was from?—A. I do not remember that there was a letter; I thought he merely came in and said he had met my friends. He says he presented a letter, I do not remember that part of it. I do not remember who the letter was from, because I don't remember the letter. I remember he came in and said he had met some friends of mine, who said that if he had anything in Canada that would be of interest I might be able to help.

By the Chairman:

Q. You really had nothing to do with these claims until they were assigned to you; nothing to do with getting them staked?—A. I did not put up the money until I understood they would be assigned to Dr. Shillington and myself jointly.

Q. Did you have anything to do with arranging for the staking? Did you know how they were being staked?—A. No. Col. Shillington was to attend to all that. He said he would come to me with a proposition that would be in perfect shape.

By Hon. Mr. Watson:

Q. Did you have any information from the Department as to the quality of these lands at that time?—A. Nothing whatever. I saw a report from some mining engineer, and I put it before our coal man in British Columbia, and he reported

that the carbon percentage was very good. But Col. Shillington impressed me with the fact that the areas were good, and I know that we have nothing like anthracite in Canada in the West, and that is the point that interested me.

I might say also in connection with the railway proposition, before we made application for the charter I asked Mr. Hanna of the Canadian Northern whether they were going to build a railway there, and was told that they had all they could handle.

By Hon. Mr. Michener:

Q. I should like to ask whether there was any one else associated or interested in this lease with you besides Dr. Shillington?—A. No, sir. As far as I am concerned it is Dr. Shillington and myself. Who he acts for, I don't know, but so far as I am concerned we are on the basis of fifty-fifty.

By Hon. Mr. McLennan:

Q. That is to say the coal mining proposition was brought to you on certain terms; you took advice from an expert not here; it commanded itself to you and you went into it, and provided your money?—A. That is the whole thing.

FRIDAY, June 27, 1919.

Dr. A. T. SHILLINGTON, of the city of Ottawa, appeared as a witness, and having been duly sworn, testified as follows:

By Hon. Mr. Bostock:

Q. Doctor, how did you first hear about these leases?—A. From Dr. Hoppe.

Q. At what time was that?—A. In the end of 1913, or 1914, I could not tell you exactly; it was before the war.

Q. You knew Dr. Hoppe personally?—A. I knew Dr. Hoppe personally, yes.

Q. Did he tell you what he had done up there?—A. No, he did not tell me. I only met him I think twice. I was introduced to him in the Chateau. I had been interested in looking for oil in Northern Alberta. I was pretty familiar with that territory. I had a party out there for a year making a search for oil; and Dr. Hoppe told me about this coal out there, and we were discussing coal and oil, and he told me quite a lot about this property. I do not think I was with him more than probably 20 minutes or half an hour. I saw him, I think a day or two after, and had a chat of five or ten minutes.

By the Chairman:

Q. That was in 1913 or 1914?—A. That was in 1913 or 1914, I could not tell you definitely. I had been out to Edmonton and had a large party of twenty or thirty men out in Northern Alberta looking for some oil interests, and I did stake some 4,000 acres of oil leases at the time, I think at the end of 1913. I had been out all summer and I think I had them staked in November, 1913.

By Hon. Mr. Watson:

Q. Did you ever see these coal areas?—A. No.

By Hon. Mr. Bostock:

Q. I presume you knew Sir Percy Sherwood?—A. Oh, yes.

Q. Do you know anything about what we have heard here to-night?—A. No, I have been away during all this period. I went to the war in 1914 and came back to Ottawa for the first time in 1917. Then I went again in November, 1917, and did not come back until February, 1918.

By Hon. Mr. McLennan:

Q. In the service?—A. In the service, yes.

By Hon. Mr. Bostock:

Q. Of course, these leases did not fall due until May of 1918?—A. No, after I came home. I came home in February, 1918.

Q. When did you first hear about them?—A. You see, I came home from England when I was on leave, and I came home really as far as my own interests were concerned, in connection with oil. Some of you may have seen my name in the paper in connection with the Shell Transportation and Trading Company—I really came on their behalf. I was in and out of the department a great deal. I made an application for areas of oil lands in Alberta on behalf of the company, and I just happened to think of these lands one day in July or August, 1917, and asked Mr. Rowatt, what "old Hoppe" had done with these leases; and he told me he had been paying his rent up to date. I asked him questions—I don't know whether he told me things he should not have—but he told me something about him being arrested in Montreal and that he had paid his rent last year, and they had some difficulty getting money.

Q. This was in August, 1917?—A. July or August, and I went back to England in November. I came back in February, and he told me the rent was paid up till the 15th of May, 1918; and I came back in February, and of course I was still on this oil business, and was into the office several times getting maps, and I inquired several times.

Q. Do you remember when this conversation occurred about asking him whether this was surveyed or unsurveyed land?—A. That would be at the time I was thinking of sending someone to stake them. That would be probably in the middle or the end of July some time.

Q. Before they were actually cancelled?—A. After I heard they were to be cancelled.

By the Chairman:

Q. From whom?—A. Mr. Rowatt. I heard they were likely to be cancelled.

Q. That would be in July?—A. I think it would be in July. Some time after I came home—some time after the rent had not been paid—I just asked those questions. I was in in connection with oil matters and maps and in connection with my shell applications; I had been pushing as hard as I could for a year.

By Hon. Mr. Watson:

Q. You spoke to Mr. Robins about them being surveyed or unsurveyed lands?—A. Yes, I spoke to Mr. Robins—Mr. Robins is a personal friend of mine, and we were together a great deal, often at dinner and lunch together.

By the Chairman:

Q. Had Mr. Robins ever spoken about these lands as though he knew them at all?—A. Never at that time. Of course, we have spoken about them several times since.

Q. Did he ever speak to you about them before you made application?—A. I think I spoke to him when I was thinking of making application and I asked him whether the land was surveyed or unsurveyed. I heard it was surveyed; but when I went to the department, to Captain Deville to find out whether the land was unsurveyed or not—

Q. Before they were cancelled?—A. About that time; when I heard they were likely to be cancelled.

By Hon. Mr. Watson:

Q. Did Mr. Robins convey to you the information that he got from Mr. Rowatt?—A. No, I went to Captain Deville's office to get the information.

By the Chairman:

Q. You could not get that information, the memorandum that Mr. Rowatt supplied?—A. I never got a written memorandum, but I asked a great many questions and I think they were answered.

By Hon. Mr. McLennan:

Q. Who is Mr. Deville?—A. The Surveyor General. I had to go to his office to find out whether they were surveyed or not. It meant a good many thousand dollars. If they were surveyed I could record in Edmonton; if not, I had to send men out to stake them. I got my solicitor in Edmonton—

By Hon. Mr. Bostock:

Q. Mr. Abbott?—A. Yes.

By Hon. Mr. Michener:

Q. A very reliable one too?—A. A very reliable one too.

By Hon. Mr. McLennan:

Q. When they were cancelled—you arranged if they were cancelled that you would have some one stake them?—A. I told him I understood they were to be cancelled, and I asked him to arrange a party to send out to take action at once, and sent him the money to do it with.

Q. That is to pay the men?—A. Yes, to pay the men, and to pay him for his trouble and everything else.

Q. And arrange the thing?—A. Yes.

By the Chairman:

Q. Of course?—A. That is the way it is always done. I have done the same thing with thousands of acres of oil leases, and with coal leases, before now.

By Hon. Mr. Bostock:

Q. Is there anyone else interested in this besides Mr. Barnard?—A. Yes, but they have become interested with me since I got them but not before.

Q. You did it off your own bat?—A. Oh, yes. I have had some financial assistance, since. I have had a few trips to England and to New York in connection with the financing and development of this property.

By Hon. Mr. McLennan:

Q. I think we understood in the House the other day that if the charter was granted, you intended to proceed immediately with construction?—A. I think we can, I have not only one, I have three different concerns—I have an English concern coming out to Canada in July a couple of men, among the biggest coal operators in England are coming out here to investigate this; and I also have some people in New York. I have made no deal with any of them; but they have expressed themselves as willing to build the railway to the property. I have also arranged for several millions to be spent on oil in Alberta, if the Government will give us the concessions we are asking for.

By Hon. Mr. McLennan:

Q. Your clients are not small people—the Shell Company?—A. The Shell Transportation and Trading Company.

By Hon. Mr. Bostock:

Q. Have you any objection to giving the names?—A. I really have not if the committee think I should tell. It is a private matter, and they have been associated since I acquired the property.

The CHAIRMAN: Perhaps that is hardly a fair question to ask?

By Hon. Mr. McLennan:

Q. They are not local people?—A. No; none of them live in Ottawa; one is a western man and one is an eastern man.

Q. But not local people?—A. No.

Hon. Mr. McLENNAN: I think we might leave that to Dr. Shillington.

The CHAIRMAN: I think so. It is hardly fair to ask it unless something occurs.

By Hon. Mr. Michener:

Q. I did not quite catch what you said would happen if you got the railway charter. When do you purpose starting operations?—A. We were hoping to start this fall you see; We were hoping to get the thing ready so that we could start this fall. Mr. Barnard has knowledge of practically all my arrangements, both the building of the railway and the development of the coal property. I have one firm now in New York waiting for this charter to be granted, they have made a proposition which they want us to accept, but Mr. Barnard and I are doubtful about accepting it. But they have made the proposition in writing, to put engineers on the ground within ten days. It is a co-operative one; We will never get a dollar out of it—if it goes through we will probably never get a dollar out of it for five or ten years.

By Hon. Mr. McLennan:

Q. Is there a market there that would justify you?—A. I have been led to believe by the talk here that there was; but I discussed it a short time ago with the Premier of Alberta, and he told me he did not think we would make a profit in the next twenty years.

By Hon. Mr. Michener:

Q. You are much nearer Winnipeg than Pennsylvania is?—A. 200 miles.

By Hon. Mr. McLennan:

Q. And how far from the coast?—A. 480 miles—that is as the crow flies. 75 miles from Park Gate—say 570 miles.

By Hon. Mr. Michener:

Q. You would have a population of 2,000,000 people to supply?—A. Of course, we are absolutely tied up for the railway; we cannot do a thing until we get the railway charter. I think if the charter had gone through ten days ago we would have had people on the way now.

By the Chairman:

Q. You look on it as a very valuable coal deposit?—A. I think it is a big coal deposit. How long it will be before it is valuable I don't know. I have not been on the property myself but I had my brother on the property.

By Hon. Mr. McLennan:

Q. Is he an engineer?—A. No, but he has been a practical mining man.

Q. You could tell that the coal was good from the description?—A. There has been some discussion here about the tunnels? He says they have all fallen in, and would be of practically no use.

By the Chairman:

- Q. How long ago is it since he was on the property?—A. Last fall some time.
 Q. Before they were cancelled?—A. Oh no,

By Hon. Mr. McLennan:

Q. Did he tell you how wide the tunnels were?—A. Oh, no, he could not get into the tunnels. I think he only found two. It is a very rough country and the Smoky River is very difficult to navigate. I think he went down the stream about a mile and a half in getting across on a raft.

By Hon. Mr. Bostock:

- Q. Did he go up with these locators?—A. Yes.

By Hon. Mr. Blain:

Q. Would you regard the improvements made on the property as of value in your further development?—A. Oh, I could not tell you; I don't know anything about engineering, and could not really tell.

MONDAY, June 30, 1919.

Mr. ALBERT E. BRADBURY, of Ottawa, broker, appeared as a witness, and having been duly sworn, testified as follows:—

The CHAIRMAN: Now, I think, gentlemen, I will just read what Mr. Robins said, and then just ask the witness to explain. Mr. Robins, one of the late secretaries of the Minister of Interior, gave evidence here on Friday night. During his evidence, in answer to a question regarding how he came to get a certain memorandum, he said:

"I do not recall at the moment definitely what led up to that memorandum, unless it was a conversation I had in the rotunda of the Chateau Laurier with Mr. Albert Bradbury, who, I think, is a brother of Senator Bradbury. I was in the Chateau Laurier. I do not remember the date. If Mr. Bradbury were here he could tell me. If I were in uniform I might be able to recall it more specifically, but I do recall a conversation I had with Mr. Albert Bradbury in the rotunda of the Chateau Laurier. It was a very cold day and we were discussing the severity of the weather, the shortage of coal, the scarcity of fuel. I think I mentioned something that Senator Michener mentioned some time ago—the people in the West had to break up their furniture to prevent themselves from being frozen to death. Mr. Albert Bradbury said: My, wouldn't it be a great thing if only we could get hold of an area of anthracite coal! We could make a great pile of money out of it. And I remarked: There is an area in northern Alberta at present, I think, controlled by a syndicate of Germans, but which I would like to see in the hands of some British interests, operated and the fuel supplied to the people who at present are suffering to such a great extent. Mr. Albert Bradbury asked me, I think, for some information—which is a very ordinary thing. We received hundreds of similar requests, as Senator Bradbury will know."

I might just say here, I never remember in my life getting any information from Mr. Robins, although he made that statement and I did not contradict him.

"I have handed to him scores of memoranda received from different branches in the department. And Mr. Albert Bradbury said he would take the matter up with Sir Rodolphe Forget; he would get Sir Rodolphe to go to the Minister of the Interior and insist that the leases be cancelled, and Sir Rodolphe would go in and take hold of the area, finance it and operate it. I think probably this memorandum you now refer to was a result of the conversation to which I have just alluded. That was simply to furnish Mr. Albert Bradbury with some information regarding the regulations. I do not recall any other incident."

I would like to ask you: you have heard that statement, and I would like you to tell the committee exactly what occurred, as you remember?—A. On the 4th of April, 1918, I had some private business with the Minister of the Interior. I went up to the department and into the anteroom. Robins was there. I had to wait.

By Hon. Mr. Bostock:

Q. That was the minister's anteroom?—A. The anteroom.

By Hon. Mr. Watson:

Q. The Minister's anteroom?—A. The anteroom in the private secretary's room, I presume it was.

Q. What department?—A. Interior. And I had to wait, and during the time we were waiting Robins said to me—he said: “Do you think we could get Sir Rodolphe Forget to go into a good thing?” “Well,” I said, “he is a pretty live man”—something like that. And then he told me that he had a very rich area of coal; he said, in fact, he considered it the richest area of coal in Canada. It was held by a German and that German was an alien enemy. At that time, he said, he was interned somewhere in the States. And I told him—I said: “Well, if it is such a good thing as that, get it in shape and let me see it.” “Well,” he said, “the way I would like you to handle it is: I would like you to get it, take it to Sir Rodolphe Forget; he is a financial man; he can get the money and work it. Then,” he says, “your brother”—referring to Senator Bradbury—“could use his influence with the minister to get the lease of the property.”

By the Chairman:

Q. To get the lease, or to get the lease cancelled?—A. No, to get the lease, I think. I am not quite certain whether he said to get the lease or to get the lease cancelled. Anyway it was the lease he mentioned. I went into the minister's room then, finished my business, came out and stopped for a moment, and he said: “I am going to telephone for a description of that property.” He went to the 'phone, and he called up a number, and he told me it was Mr. H. H. Rowatt he was talking to; and he told Mr. Rowatt to send—to send the memorandum addressed to him.

Q. Regarding what?—A. With regard to these coal properties—the memorandum regarding these coal properties addressed to him. I went out of the office. I do not think I saw Robins to speak to for weeks after. I know it was a very long time after, probably a month, before Robins one day handed me the memorandum, and he says: “Here is the memorandum of these coal properties.”

Q. Do you remember where that was?—A. I am not sure whether it was—I think it was on the street. I took it and I put it in my pocket and I never read it until I was going to Montreal on the 30th of July. I put that memorandum either in my pocket or in my valise and I took it down to see—to show it to Sir Rodolphe Forget while I was there. Sir Rodolphe Forget asked me a lot of questions about it. I told him just as Mr. Mitchell—

Q. Mr. Robins?—A. Mr. Robins had said, rather; and he read it all over and he folded it up and he says: “Bradbury, this looks crooked; Don't have anything to do with it.” I took the memorandum, I put it in my pocket, I think, but I have never seen it since, and I have never had anything to do with it; only Mr. Robins asked me several times if I was successful with Sir Rodolphe Forget and I just put him off and said, “Sir Rodolphe Forget has not had anything to do with it.” Sir Rodolphe Forget was the only man I showed the memorandum to.

Q. One question now, before you forget. When he called up Mr. Rowatt and asked for this memorandum did he say it was for anybody?—A. He said it was for the minister, but to send it addressed to him.

Q. You heard him say it over the telephone?—A. Over the telephone.

By Hon. Mr. McLennan:

Q. That was in April of last year?—A. On the 4th of April.

By the Chairman:

Q. How do you fix that date?—A. I fix that date from an entry in my firm's books, occasioned by my visit to the minister on private business.

By Hon. Mr. White:

Q. Have you any recollection about this conversation he referred to, in the winter, prior to that, about fuel?—A. He never mentioned a thing to me prior to that. He never spoke to me about it in any shape or form at the Chateau until after. He mentioned one day: "Were you successful with Sir Rodolphe Forget?"

Q. Were you in the habit of meeting him?—A. No, I was not. I do not suppose I met the man twice a month.

Q. But this conversation might have happened without your remembering it specially?—A. No, it could not.

Q. It could not? You are sure of that?—A. No. Anything like that would impress itself upon me.

Q. Because we have his sworn statement to say it did happen?—A. I cannot help that. I did not meet him in the Chateau and I did not have any conversation with him in connection with the coal—I knew nothing of it—prior to April the 4th.

By the Chairman:

Q. The time you saw him in the minister's office?—A. In the minister's anteroom.

Q. Did you meet him in the Chateau after that?—A. Yes, I met him several times going through.

By Hon. Mr. Watson:

Q. You say that Sir Rodolphe Forget said: "This looks crooked." Did he have anything more to say, or simply make that remark?—A. Simply that remark. He says: "This thing looks crooked, Bradbury; have nothing more to do with it." He folded it, gave it to me, I laughed, took it and put it in my pocket; I think I put it in my pocket. I have never seen it since. I do not know where it is.

Hon. Mr. POWER: You don't think your pocket was picked?

Hon. Mr. WATSON: A copy of the memorandum is on file.

By Hon. Mr. Bostock:

Q. The memorandum we have on file is dated, I think, the 12th of January, Mr. Bradbury. Would you recognize that as the same memorandum that was shown to you?—A. Yes, I would recognize it; I think I would. The only thing that I know about that memorandum—I saw it—there were some names in it that I would recognize. There was the name of Hoppe, I think.

By the Chairman:

Q. That might be in any memorandum?—A. Yes. And then Mr. Rowatt's signature to the memorandum. I tell you, I don't think I ever read the thing through myself, I took so little interest in it. It was a thing that was foreign to my business.

Q. You did not make the proposition? You did not approach Mr. Robins?—A. Why, no.

Q. Mr. Robins said distinctly here that you approached him?—A. Oh, no. I don't know anything about these things.

By Hon. Mr. Watson:

Q. If this deal went through was Robins to have an interest in it?—A. I couldn't say.

Q. You don't know anything about it?—A. He never said a thing to me about it.

By the Chairman:

Q. What was your idea? If that deal had gone through with Sir Rodolphe Forget, would you have thought that Robins would have had an interest with it?—A. Well, I think, when he was going to the trouble he was going to, he certainly would. He was not working for his health.

By Hon. Mr. Barnard:

Q. That is assumption on your part? You don't know?—A. Oh, I don't know. I don't know whether I would have had anything either, because there was nothing mentioned.

Hon. Mr. WATSON: I guess he just wanted to pass a good thing up.

The CHAIRMAN: It was pretty early in the game, I suppose to make terms.

Hon. Mr. POWER: This gentleman does not know anything about it.

Mr. BRADBURY: No, I know absolutely nothing about it.

By the Chairman:

Q. Just look at that memorandum and see if you recognize that at all?—A. Yes. There is one thing: Smoky river. I remember that.

Q. But that might be in any memorandum?—A. That might be in any memorandum. I tell you, gentlemen, I never read the memorandum through. I looked over it and he called my attention to Hoppe there, to show that he was a German. I could not swear to that memorandum.

By Hon. Mr. Bostock:

Q. You could not swear whether that was the same memorandum?—A. No.

Q. That you handed him up?—A. No, I could not.

Q. That memorandum was dated the 12th of January?—A. The 12th of January.

Q. You say you did not get yours until?—A. The proposition was never mentioned to me until the 4th day of April.

By the Chairman:

Q. Then it was long after that that you got the memorandum?—A. Oh, yes.

By Hon. Mr. Bostock:

Q. That was in 1918?—A. 1918.

By Hon. Mr. White:

Q. You say, Mr. Bradbury, that while you were there Mr. Robins called to ask Mr. Rowatt for this memorandum?—A. He called up somebody, and he told me it was Mr. Rowatt he was talking to.

Q. That was on the 4th of April?—A. The 4th of April. He spoke to Mr. Rowatt. I paid no attention to his conversation.

By the Chairman:

Q. You do not know whether it was Rowatt or not?—A. I could not swear.

By Hon. Mr. Barnard:

Q. How do you fix the date?—A. By an entry in my firm's books that was occasioned by my visit to the Minister of the Interior. When I went back to my office I had to make an entry.

By the Chairman:

Q. Is there anything else, gentlemen? That will do.

Hon. Mr. McLENNAN: Was it brought out, Mr. Chairman, your brother's relation to Sir Rodolphe Forget?

Hon. Mr. WATSON: No, it was not brought out.

Hon. Mr. McLENNAN: I think we had better have that in the evidence.

By Hon. Mr. McLennan:

Q. I think you did not tell the committee your relations with Sir Rodolphe Forget?—A. I was his representative in Ottawa.

Q. Representing his firm?—A. Yes.

Q. And would be known as representing him to anyone about the Department?—A. Yes, I have represented him for about ten years now.

By Hon. W. B. Ross:

Q. Have you private business of your own here?—A. I represent a Montreal and New York firm of brokers.

Q. You are a broker's agent?—A. Yes.

By Hon. Mr. McLennan:

Q. Then, you represent Sir Rodolphe's firm?—A. Yes.

By Hon. Mr. Watson:

Q. Mr. Robins knew your position?—A. Oh, yes, he knew my connection.

MONDAY, 30th June, 1919.

Mr. H. H. ROWATT was recalled and testified as follows:

By Hon. Mr. Bostock:

Q. The description that is given in the affidavit made by Gouin is amended I think at your suggestion? Mr. Genest, who is an official in your office?—A. Yes, an official in the office.

Q. —makes the suggestion that the description should be amended and altered. Is it usual in the Department for that to be done?—A. It is not usual to change the description.

Q. Why was it done in this case?—A. It was not done in this case, I think, Senator.

Q. There is a letter here of the 24th October, 1918, addressed to Dr. A. T. Shillington, and signed by yourself, which says:

"In reference to the application of W. R. Gouin, filed at the office of the Mining Recorder at Edmonton, on the 29th of August last, for a lease of the coal mining rights of a location, which, according to the evidence submitted, he staked out on the 19th of August, containing an area of 1,000 acres, more or less, I beg to call your attention to the fact that the applicant has not given a definite bearing of the location line between posts Nos. 1 and 2 of his staking. The plan which accompanied the application, however, although not plotted to scale, shows a north point, but does not state whether it is magnetic or astronomic, but, from information already in the Department, it is assumed that it is astronomic, and applying the protractor to the plan supplied by the applicant, it would appear that the bearing of the location line of the claim is approximately North 43 degrees, 30 minutes East, and the following description of the location has been prepared accordingly."

Then follows a description; then after the description it goes on:

" You are requested to submit the above description and enclosed plan to the applicant."

That would be Gouin?—A. Yes.

Q. " And ask him to state whether the same property describes the location which he has staked on that ground, and which he desires to lease.

Under an Order in Council of the 5th of March, 1917, it is necessary for an applicant for a lease of mining rights pertaining to Dominion lands to furnish proof that he is eligible in regard to citizenship. It will be necessary accordingly that evidence in this regard be furnished in the case of this applicant, and a form on which the necessary affidavit may be made is herewith enclosed.

Upon the receipt of your reply in regard to the matters above mentioned, further action with respect to Mr. Gouin's application will be taken.

Your obedient servant,

H. H. ROWATT,

Controller.

Do you know how they arrived at the conclusion that that description was not correct?—A. It is a very difficult thing for a person staking a coal mining location in a broken and unsurveyed country to make his description in phraseology which exactly coincides with the location he actually staked on the ground. The stakes govern; therefore the location he originally staked, remains the location for which he obtains the lease; but his phraseology in describing the position of those stakes may vary; that is, he may not accurately describe the location of those stakes on the ground. It is a most difficult thing to do.

By the Chairman:

Q. Especially if he was not on the ground?—A. He could not do it at all if he had not been on the ground. We do not always follow his phraseology in describing that particular location; and any change that took place was a change in phraseology; that is in the words used to describe the location he actually staked.

By Hon. Mr. Bostock:

Q. There is one change here in which I do not quite see how the difference came about. The application reads:

" Commencing at a point distant 297 feet southwest from the southwesterly bank of the Muskeg River and 310 feet from the South bank of Smoky River where Post No. 1 of this claim is located.

That was changed to read:

" Commencing at a point distant 4.50 chains southwest from the southwesterly bank of Muskeg River and 4.70 chains from the southeasterly bank of Smoky River where Post No. 1 of this claim has been planted, and which may be termed the point of commencement."

The man would surely know whether it was the south bank or the southeasterly bank?—A. Is not that just a change in the method of describing, a change in phraseology? One is in chains and one is in yards.

Q. One talks of the south bank of Smoky River, and the other talks of the south easterly bank?—A. As far as I know there was no change whatever made in the description. As you notice, the Chief draughtsman of the Branch, Mr. S. M. Genest, is responsible for the description; he is the technical officer.

Q. And he goes over all these descriptions?—A. Yes. I had never seen that until this inquiry commenced; and the letters on the file are not written by me.

Q. This letter to Dr. Shillington is written by you?—A. Oh, no, I did not dictate it, I signed it.

Q. There is nothing to show?—A. I think probably that is the original copy; but if you turn farther you will find a copy and find in the margin the initials of the officer who wrote it.

By Hon. Mr. Watson:

Q. If the question was referred to your branch, you would refer it to your officer?
—A. Certainly, I could not—

By the Chairman:

Q. Would it not be possible that the man or men who located these would have the descriptions of the other location?—A. It might be possible, I don't know.

Hon Mr. WHITE: Here is a map attached to the original?

By the Chairman:

Q. I suppose they could attach a plan?—A. Yes.

Q. The men who were locating would have no difficulty in describing the property?

By Hon. Mr. White:

Q. Are those the areas referred to that are marked there?

By Hon. Mr. Bostock:

Q. This plan here, I suppose, is the plan submitted with the application?—A. I would assume that these are the old Hoppe location.

By Hon. Mr. Watson:

Q. Is there any difference between the Hoppe location and the present ones?—I never compared them. I know they are generally the same tract.

By Hon. Mr. White:

Q. From the correspondence these appear to be some revised locations; they are not the original locations?—A. I could explain that. The original Hoppe locations were staked on the ground, and there were more than eight locations. Subsequently Dr. Hoppe took in a Dominion land surveyor and made a partial subdivision survey of the townships affected, and he returned to the Department and asked for permission to describe his locations definitely, by section, township and range; and that was granted, as the file shows. This plan shows the locations as originally staked and as subsequently definitely described as a result of the survey.

By Hon. Mr. McLennan:

Q. Were they in two blocks, as that plan apparently shows?—A. They were in one block, I think.

Q. There are two marked there?—A. I assume those are the particular blocks being dealt with on some particular file; without an examination I could not say.

By the Chairman:

Q. All this area marked out?—A. Marked in yellow, I think, is the area; without examination I could not say for certain; but I think that is the original and the red is the location as he staked them out on the first location.

By Hon. Mr. Willoughby:

Q. Who would know that definitely?—A. An examination of the file would show quite conclusively what the plan is intended to show.

By Hon. Mr. White:

Q. There is a letter attached to the plan?—A. Evidently that plan was prepared for the purpose of showing some conflict that existed between certain coal lessees in the same locality.

By Hon. Mr. Bostock:

Q. Were other leases located in that locality?—A. This memorandum indicates that a man named McPhee had staked out a location that conflicted to some extent.

By Hon. Mr. Watson:

Q. Is the pink McPhee's location?—A. Without reading the file from the bottom, I could scarcely tell you.

Q. What does the letter explain?—A. That a person named McPhee had staked a claim that conflicted to some extent with the location Dr. Hoppe had indicated; and I assume the plan is for the purpose of showing the conflict.

By Hon. Mr. Willoughby:

Q. Have we a plan showing the final location of Dr. Hoppe's lease?—A. I guess there would be one on the file.

Q. There are eight new leases, are there? Eight new applicants?—A. Eight new applicants and eight old leases.

Q. And eight old applicants?—A. Yes.

Q. Can you say whether the descriptions of the eight new ones correspond with the eight old ones?—A. I should think they do not exactly correspond, although to a large extent they cover the same area. I really do not know whether they coincide exactly or not.

Q. But approximately the same aggregate?—A. Approximately the same area.

By Hon. Mr. Bostock:

Q. You said you thought you had a plan on that file of the original location?—A. I think there is no doubt. The two upper blueprints show the location I think that Dr. Hoppe formerly held, with the numbers of the leases.

By the Chairman:

Q. Are they jogged off in that way?—A. That is in order to meet the requirements of the description; follow the legal subdivision lines.

Q. Do the new applicants conform pretty closely to that?—A. I think not. They are staked on the ground and must be bounded by four lines, a rectangle; and those are all broken lines. These are described by sections; the others by metes and bounds.

By Hon. Mr. Willoughby:

Q. I think you told us previously that the final definite location of these leases was not obtained until later?—A. The exact area was not computed; that is the officer of the branch who computes the area was unable to arrive definitely at the exact area until a later date, after overlapping had been eliminated.

By Hon. Mr. Michener:

Q. Did the Department ascertain by inspection since the leases were staked as to whether the regulations were carried out with reference to staking and lines being cut, as required by the Act?—A. No, the Act does not require or the regulations do not require that the Department should confirm the staking, and the staking has not been confirmed so far as I know.

By Col. Thompson:

Q. Is the statement of the man who makes application made under oath?—A. Undoubtedly it is under oath.

By Hon. Mr. Bostock:

Q. This plan sent with that notice to Dr. Shillington was one made out in the Department, I suppose?—A. If you will allow me to look at it, likely I can tell you. It looks like our departmental blueprints; but I could not be positive that it is one.

Q. It has the name Col. A. T. Shillington in the corner; but that might be because it was going to him?—A. Oh, no; I think unquestionably that was made by him. It is evidently his print.

Q. How comes it that the Department was forwarding this plan to Col. Shillington? They forwarded a corrected plan, apparently, according to this file?—A. I assume that the plan we forwarded was the plan that the Chief Draughtsman considered showed the locations that had been staked out on behalf of the applicants.

Q. Is not this the plan? You see, it has the imprint of the Mining Lands and Yukon Branch?—A. That is simply our stamp.

Q. There are his notes. These follow your letter. Your letter is here. There is the copy of it?—A. There should be a copy of the plan immediately below our copy of the letter. There should be a copy of the plan here, and it is quite probable that is the plan, although I could not be positive, as generally the Chief Draughtsman signs any plan of that kind sent out—signs as Chief Draughtsman—and his name is not appended to that.

By the Chairman:

Q. Who is he?—A. Mr. S. M. Genest.

By Hon. Mr. Bostock:

Q. There is another point about this. This letter says:

“You are requested to submit the above description and the enclosed plan to the applicant.” Now we find on the 28th of October on one file that there is an original letter from Dr. Shillington to you: “In reference to your letter of October 24, 1918, and the following files—” And then it goes on:—

“The descriptions and enclosed plans do properly describe the locations which the above applicants staked, and which they desire to lease.

Yours truly,

(Signed) A. T. SHILLINGTON.”

—A. Yes.

Q. Your letter distinctly said it was to be shown to the applicant?—A. Yes.

Q. Then, why did you receive a letter from Dr. Shillington?—A. He was their agent.

Q. There is nothing to show that?—A. The payment of \$18,000 would easily constitute him their agent to the department.

By the Chairman:

Q. Did not you really realize that these lands were staked for Dr. Shillington?—A. I did realize probably after the leases had been issued, or probably after he paid the \$18,000; prior to that I knew nothing about it.

Q. You realized then that it was staked for Dr. Shillington?—A. I assumed—

Hon. Mr. McLENNAN: Dr. Shillington said so, I think, and Mr. Cory admitted that it was the commonest practice.

By Hon. Mr. Barnard:

Q. It would not have made any difference if you had recognized it?—A. As far as I am concerned, it could not have influenced my actions.

By Hon. Mr. Willoughby:

Q. When the staking has been completed is there any action ever taken subsequently by the department to verify the correctness of the staking or whether it has been done on the ground or not?—A. Never to establish the fact that the affidavit is correct or incorrect, it is assumed to be correct. Occasionally it is necessary to verify it in order to remove conflict with others.

Q. Would it be possible for the new applicants to have simply used as a basis of their application the old description and the old leases?—A. It would have been quite illegal.

Q. A slight alteration of the description?—A. That would be assuming that each of the applicants perjured himself.

Q. Granted, but would it be possible?—A. You can understand, it would be impossible for us to know.

Q. I am not making any reflection on you. You get a case that is *prima facie* correct, and act on it. Would it be possible for the new applicants, or anyone acting for them, to have used the old descriptions?—A. It would not have been possible to use the old descriptions.

Q. Why?—A. The old descriptions were by section, township and range; the old locations were not rectangular. If you will look at the map of the old Hoppe locations you will see that would be absolutely impossible.

Hon. Mr. Bostock:

Q. Was there a change in the mining regulations in the mean time, between 1912, when Hoppe staked his leases, and 1918?—A. There was no change in the respect of which we are speaking with Senator Willoughby. The regulations remained the same in the respective staking in the meantime and have always been the same.

By Hon. Mr. McLennan:

Q. But did you not tell us that the same ground was covered on the plan as had been covered in the previous plan when the leases were first granted to Dr. Hoppe?—A. Not exactly covered, but approximately covered.

Q. In other words, Dr. Hoppe put in another plan, and subsequently got a more accurate description, a proper description, and that section was surveyed with the consent of the department, and the leases, covering substantially the same thing, were changed to that plan which is under your hand?—A. That is right.

Q. That same ground could have been covered, using the old description, the first description?—A. That would be possible, except this, that the old description covered a considerably larger area than the new description. They included thirteen; I am not positive, but I think it was thirteen applications, whereas the amended descriptions cover only eight.

By Hon. Mr. Watson:

Q. The corrected plan you speak of, is that picking out the coal lands and putting them on the other staked land, off that map?—A. I think so.

By the Chairman:

Q. Why could not anybody else do it?—A. I don't think there would be any difficulty in doing it, only that they would be rectangular in the old staking and irregular in the new staking.

By Hon. Mr. Bostock:

Q. To go back to this question, I fail to see how Dr. Shillington, who had not been on the ground, could say whether that description was the right description or not, on behalf of those applicants?—A. The purpose of the letter is this: if an application for a tract in unsurveyed territory is received in the office, the chief draughtsman prepares the description in as proper phraseology as he can, describing the location by metes and bounds; but if his working differs from the original wording, which it must necessarily do in nearly every case, the lessee may subsequently say, "well, this is not the location for which I originally applied, and I'm not satisfied with the location." We try to describe the tract as it is really staked on the ground, but he may not be satisfied with that; therefore we adopted the practice years ago, as I think some of the gentlemen have had evidence, that we always, or nearly always, prepare a description of that kind, furnish a map, send it to the applicant or his agent, and have him state in writing that he is satisfied with our description, then later on he cannot complain that we gave him an improper description of his tract. I think Senator Michener can remember that we have done the same with him in connection with certain persons, but not in that locality, but farther south.

Hon. Mr. MICHENER: Yes.

By Hon. Mr. Bostock:

Q. It is simply keeping the department right so that persons cannot say you have given them an improper description?—A. Yes.

Q. I do not see where you have the proof that Dr. Shillington was agent of these people; you had power-of-attorney from Mr. Abbott?—A. I think the wording of the letter states that the applicants asked for the description.

By Hon. Mr. Bostock:

Q. This is the letter; you simply submit the description and plan to the applicant and ask him whether it describes the same location as he desires to lease.

Hon. Mr. MCLENNAN: That was on the 24th of October, 1918. When was the reply received?

Hon. Mr. BOSTOCK: The reply from Dr. Shillington was the 28th October, 1918, so there was not time for Dr. Shillington to send this on to Edmonton, but he assumed to say whether that description was right or not.

The CHAIRMAN: I understand Mr. Rowatt to say that when that money was paid, Dr. Shillington was really the applicant.

Hon. Mr. BOSTOCK: That may be perfectly true, but the man who would check this up is surely a man who has been on the ground.

WITNESS: The only purpose of it was that the department might have evidence later on to show that they had an opportunity of confirming the description that we had furnished them, and that they confirmed it; later on, if they raised any objection to it, we could turn back to their agent's or representative's letter to state that they were satisfied with our wording.

By Hon. Mr. White:

Q. Then in cases of that character, when somebody comes to pay the money you do not ask them for the power-of-attorney as to their authority to pay it?—A. No.

Q. You accept the money?—A. My duty is to collect the money for the Government, and it does not make any difference who tenders the money.

Q. You assume that he has the power-of-attorney?—A. Well we assume that he has the power to pay the money, and when he pays money it is the best evidence that he is at least representing the applicants.

Q. The fact that he pays the money does not change the ownership at all?—A. Not at all.

By Hon. Mr. Bostock:

Q. There is another point about this letter; under the Order in Council of the 16th March, 1917, it is necessary for the applicant for a lease of mining rights, or pertaining to mining lands, to furnish corroboration that he is eligible for citizenship. There is attached to the file a form of declaration as to nationality of an applicant for mining rights, and there are two clauses in that form, first, "That I am the applicant to acquire the mining rights on Dominion Lands; second, that I was at the commencement of the present war, and that I have since continued to be, a British subject or a subject of a country that is an ally of His Majesty in the present war, or subject of a neutral country." Then I find on the file here, just immediately after that letter, the following:—"I, George Harold Craig, hereby declare that I am personally acquainted with the following applicants for lease of coal mining rights situated in the province of Alberta." Then follow the names of eight applicants, and the date of application, then Mr. Craig continues, "that to my certain knowledge the applicants are not subjects of alien enemy countries. Sworn before me at Ottawa, this 28th day of October, 1918. (Signed) George H. Craig. (Signed) C. F. Spence." Now, who was responsible for accepting that affidavit?—A. I must accept the responsibility.

By the Chairman:

Q. Who is Mr. Craig?—A. I understand that he is an officer of the Interior Department.

Q. What branch is he in?—A. I think he is in the Topographical Surveys Branch.

Q. Do you know whether he is any relation to any of those gentlemen?—A. I have heard, I don't know from whom, that he is related to Dr. Shillington.

Q. What is the relationship?—A. I don't know what the relationship is.

By Mr. Bostock:

Q. Have you seen this Order in Council of the 15th March, 1917; I suppose you have a copy of it?—A. Undoubtedly I have a copy of it.

Q. With that Order in Council did they send you instructions as to the form of the affidavit?—A. They sent us instructions as to the manner in which the affidavit should be made.

Q. Then you had that printed form?—A. We had the printed form. If you will allow me I will just make an explanation in respect to the acceptance of that form. The directions which I received from the Deputy Minister were that on all applications filed in the offices of the several mining recorders there should be placed a stamp which was a certificate of citizenship in certain words. The words of the stamp were:—"I was, at the commencement of the present war, and have since continued to be, a British subject, or a subject or citizen of a country which is an ally of His Majesty in the present war, or a subject or citizen of a neutral country." A rubber stamp was sent to each of our local recorders, and he was requested to stamp that on each application, just to place the stamp on the application. These instructions were positive; they were from the Deputy Minister. When Colonel Shillington paid the rental of these locations for the first time the application came to my notice, and the clerk who was conducting the correspondence pointed out that this certificate had been omitted, that is, that the mining recorder at Edmonton had neglected to complete the application by placing the stamp on each application. It therefore became necessary, as the Order in Council provided, that we should obtain information as to his citizenship to the satisfaction of the Minister of the Interior. It is not definitely described there what the character of the evidence shall be, but the Minister decided that the affidavit of a mining recorder was sufficient. Colonel Shillington pointed out that the oversight or neglect on the part of our mining recorder at Edmonton was going to entail on him delay and loss. Compliance with our mining regulations provided that no person shall be permitted to suffer from acts of omission or commission or delays on the part of any Government official, if such can be proven. It was clear that the omission to place

the proper stamp on this application was an omission and entailed delay, and therefore we asked Colonel Shillington to furnish evidence which might be considered satisfactory to the Minister of Interior, that the applicants were not alien enemy citizens. The only officer of my branch who is a mining recorder, and therefore is the officer before whom such a declaration should be taken, is Mr. Spence; he is the mining recorder duly and properly appointed as a mining recorder, and he is entitled under the Dominion Mines Act to take affidavits in so far as the Dominion Mines Act is concerned. Colonel Shillington assured me that there was an officer of the Interior Department who was intimately acquainted with the applicants, and was in a position to furnish an affidavit. He told me who it was, and I know his name, and know him when I see him.

By Hon. Mr. Watson:

Q. Who is the officer?—A. His name is Craig.

By Mr. Bostock:

Q. That is George Harold Craig mentioned?—A. Yes. He said that Craig—who had lived for a number of years in the West to my knowledge—was acquainted with those applicants, and would submit an affidavit. He came into the office one day and I took him in to Mr. Spence, and the result of his interview with Mr. Spence is the affidavit that you see there.

By Hon. Mr. Watson:

Q. Is Craig a brother-in-law of Shillington?—A. I don't know his relationship. I have heard though, that he is related to Colonel Shillington.

By Hon. Mr. Willoughby:

Q. Where was Craig living at the time that he made the affidavit?—A. He was living in Ottawa, so far as I know.

Q. How long was he living at Ottawa?—A. Really, I don't know anything about the man except that he has been in the office once or twice.

Q. Formerly of Edmonton?—A. Formerly of the West, but I don't know what part of the west.

By Hon. Mr. McLennan:

Q. Can you tell the branch he is in, in the Interior Department?—A. So far as I know he is an officer of the Interior Department, in one of the branches represented here to-day.

Mr. BLAIR, M.P.: He is in the Topographical Surveys Branch of the Department of the Interior.

By Hon. Mr. Bostock:

Q. You are responsible for accepting that affidavit?—A. I am responsible for anything else that is done in the Mining Lands Branch.

Q. Why did you accept an affidavit so very different from the form that was sent you to be sworn to? It is a totally different thing.—A. Of course I think, from just hearing it read now, that it conveys the real information; that is, the affidavit established the fact that those men are not citizens of alien enemy countries.

Q. But look at the printed affidavit; I will hand it to you.—A. I have a copy of it here.

Q. It says, "that I was, at the commencement of the present war, and I have since continued to be, a British subject or a subject of a country which is loyal to His Majesty in the present war, or a subject of a neutral country;" whereas this affidavit says, "that to my certain knowledge the applicants are not subjects of alien enemy

countries." That may be when he saw them, but after he made that affidavit they may have changed their allegiance?—A. No doubt the affidavit should have been in the form that I have before me,—“that I was, at the commencement of the present war, and have since continued to be, a British subject, or a citizen or subject of a country which is loyal to His Majesty in the recent war, or a subject or citizen of a neutral country.” Those are the words that were approved.

Q. What you have read just now is not the same as the printed one that I have.—A. The one before you now does not have the full information that should have been furnished.

Q. And that affidavit should have been made by the applicants themselves; how can anyone else come forward and make that statement?—A. Not necessarily. The evidence should be to the satisfaction of the Minister of the Interior. We very often could not get the evidence from the applicant himself, or from the assignee himself. For instance, if the assignment is sent in to the department to be registered we would have the address of the assignee, there is someone here that represents him; he probably is the solicitor or the agent that represents him, and in such cases we would not hesitate to take the affidavit from his representative if we could not reach the assignee himself.

By the Chairman:

Q. That would not be a strict compliance with the Act?—A. Well, as you know it is not always possible strictly to comply with the terms of the regulations. The applicant is not required always to comply with the terms of the regulations, and the department tried to facilitate as much as possible, and to make it as easy as possible for applicants to get in their application.

By Hon. Mr. McLennan:

Q. Have you on your files any statement that that form was approved by the Minister of the Interior?—A. There is no statement that the form which Senator Bostock has now was approved by the Minister of the Interior.

Q. He approved another form?—A. He approved a form that differs in the words to some extent from that one.

By Hon. Mr. Bostock:

Q. And he certainly did not approve of this affidavit from Mr. Craig?—A. Not personally, no.

By Hon. Mr. McLennan:

Q. Or indirectly?—A. He did not know of the existence of the affidavit.

Hon. Mr. MICHENER: Mr. Blair, member for one of the Alberta seats, happens to know about this gentleman—about his connection, I think, with this particular subject.

The CHAIRMAN: We will take Mr. Blair when Mr. Rowatt is finished. Have you any more questions you want to ask Mr. Rowatt? Mr. Rowatt, I would like to point out to you that during Dr. Shillington's evidence he made a statement that I think ought to be brought to your attention. In speaking of when he got the information regarding these claims, he said. He is talking of having just returned from the front. He says: “And I just happened to think of these lands, one day in July or August, 1917, and asked Mr. Rowatt, what “old Hoppe” had done with these leases; and he told me he had been paying his rent up to date. I asked him questions—I don't know whether he told me things he should not have—but he told me something about him being arrested in Montreal and that he had paid his rent last year, and they had some difficulty getting money.

“Q. This was in August, 1917?—A. July or August and I went back to England in November. I came back in February, and he told me the rent was paid up till the

15th of May, 1918; and I came back in February, and of course I was still on this oil business, and was in the office several times getting maps, and I inquired several times.

"Q. Do you remember when this conversation occurred about asking him whether this was surveyed or unsurveyed land?—A. That would be at the time I was thinking of sending someone to stake them. That would be probably in the middle or the end of July some time.

"Q. Before they were actually cancelled?—A. After I heard they were to be cancelled.

By the Chairman:

"Q. From whom?—A. Mr. Rowatt. I heard they were likely to be cancelled.

Q. That would be in July?—A. I think it would be in July. Some time after I came home—some time after the rent had not been paid—I just asked those questions. I was in connection with oil matters and maps and in connection with my Shell applications; I had been pushing as hard as I could for a year."

Q. I would like to ask if that is a correct statement. Did Dr. Shillington get this information from you, as he says, that these lands were going to be cancelled?—A. I would consider the statement there made quite incorrect—absolutely incorrect. Portions of it are quite untruthful. I never at any time informed Col. Shillington or any other person that the locations were to be cancelled. I did not know they were to be cancelled. An examination of the file will show very clearly that I did not know. The locations were cancelled under instructions from the minister, and the day following, I think it is, the letter was written—the letter of cancellation was written. It is evident from the file itself that I did not know; and I might make the statement that I never at any time handed out to any person improper information in the position that I hold. Dr. Shillington no doubt had a number of conversations with me, more conversations than I could afford the time, respecting his shell enterprise, and it is quite probable that in the course of conversation the fact was mentioned, which was publicly known, that Dr. Hoppe had been arrested in Montreal. I do not know—I do not remember having discussed it, but as Mr. Cambie, of the Bank of Commerce, informed me of the fact and as it was in the newspapers, there was nothing improper in referring to the matter in discussing it with Col. Shillington.

By Hon. Mr. McLennan:

Q. But that was four years before. His arrest in Montreal was four years earlier?—A. It was a number of years; it was October, 1914, he was arrested in Montreal.

Q. This was in 1918?—A. Well, I assume—I do not want to contradict Col. Shillington—I assume that in the course of conversation reference was made to the fact that in October, 1914, Dr. Hoppe was arrested in Montreal; but as for telling him that the locations had been cancelled or were about to be cancelled, as I did not possess the information, and as I would not have given it if I had possessed it, I contradict that absolutely and entirely.

By the Chairman:

Q. Then, any information that Mr. Shillington got regarding the possibility of these lands being cancelled he did not get from you?—A. He did not get from me. No doubt he could infer it. If the rental was not paid he would naturally infer that the locations would be cancelled; and I have no doubt that we would tell him whether or not the rental had been paid, if he asked. It was a legitimate question for him to ask.

Q. Well, from the mere fact that the rentals were not paid he would have no right to assume that they would be cancelled. He knows you are in the habit of giving an extension of time to people?—A. Yes. We frequently give extensions of time, and as far as I am concerned he received no intimation or no information

that would lead him to suppose that the leases were to be immediately cancelled, as I had no idea of its being done, myself. .

By Hon. Mr. McLennan:

Q. You had not an opinion at that time how the minister would act?—A. I had no opinion as to how the minister would act. I was not even aware that the minister knew anything about his alien enemy leanings.

Q. Well, what was brought out here, as I remember Dr. Shillington's evidence, was that he was prepared and had arranged—if I am quoting him correctly—to send a party in immediately the notice was posted in Edmonton, and you tell us that that information which enabled him to do that, or made him think it was advisable to do that, did not come from you?—A. It absolutely and positively, under oath, did not come from me.

By the Chairman:

Q. You have no idea from whom it did come?—A. I have no certain knowledge as to who it came from.

By Hon. Mr. McLennan:

Q. Could you make a guess that you would be justified in stating to the committee?

Hon. Mr. WHITE: That is hardly fair.

Hon. Mr. McLENNAN: No. All right.

By Hon. Mr. Watson:

Q. You heard a statement made to-day by Mr. Bradbury with regard to a conversation that Robins was supposed to have had with you, with regard to getting information? The dates conflict somewhat with the report that is on the file there. Could you offer any explanation of that. Mr. Bradbury swore positively it was on the 4th of April.

The CHAIRMAN: I think it was the 4th of April.

By Hon. Mr. Watson:

Q. That memorandum that was furnished supposedly for the minister?—A. The only declaration I can make is this, that any memorandum that I ever furnished Mr. Robins upon a phone request, a copy is invariably placed on the file, and if I furnished any memorandum to Mr. Robins in his position as private secretary, there is a copy on the file.

By Hon. Mr. Bostock:

Q. What file would that be on?—A. I would assume it would be on Dr. Hoppe's file, if the inquiry affected Dr. Hoppe.

Q. But supposing Dr. Hoppe's name was not mentioned? supposing it was just the claim?—A. There was no other file to place it on, Senator, but on that particular file.

By the Chairman:

Q. Was it the practice, Mr. Rowatt, when one of the private secretaries of the Interior Department, either Mr. Mitchell or Robins called you up and asked for any information, was it the practice that he would say it was for the minister's office?—A. Well, it would not be necessary for him to say so. His very position would entail upon me the necessity of making a report. A private secretary always has authority to ask any official of the department to submit to him an official report.

Q. Then he can get a report from anybody he likes?—A. Unquestionably.

The CHAIRMAN: That is a pretty loose system.

Hon. Mr. WATSON: I do not think it is. I think if the minister's private secretary asks for information from any official of any department, he ought to be able to get it. It is assumed that he is competent to act for the minister.

The CHAIRMAN: Not unless he is able to say it is for his minister.

Hon. Mr. WATSON: A man should not occupy the position of private secretary if he is not in the position to get anything for the minister.

Mr. ROWATT: Well, Mr. Chairman, I have confirmed as positively as it is possible for me to confirm, the fact that I gave Col. Shillington no improper information at that or any other time.

The CHAIRMAN: That will do, Mr. Rowatt. Thank you very much.

MONDAY, 30th June, 1919.

Mr. JAMES WHITE, Secretary and Assistant to the Chairman of the Conservation Commission, appeared as a witness, and having been duly sworn, testified as follows:—

By Hon. Mr. McLennan:

Q. Mr. White, how long is it since the Conservation Commission was founded?—A. I was the first appointee of the staff. I was appointed on the 1st of October, 1909. The Commission was really not organized until we had our initial meeting on the third Tuesday in January, 1910.

Q. We need not ask you about the work that the Conservation Commission is doing, because that is well known. The question that the Committee would like to know is, whether you have interpreted "conservation" so widely that you have at any time considered the methods in which the public domain should be given to private individuals?—A. Well, to that I should say yes and no. For instance, I should first state that a basic principle in our operations is that we will not at any time duplicate the work of any organization. Now, the Geological Survey and the Mines Branch of the Department of Mines, of course, are doing very efficient work in connection with the mineral resources of Canada. Therefore we were forced into a comparatively narrow field and our activities in connection with mines and minerals have been largely devoted to two things; first, safety to life and limb—measures for safety to life and limb, and, secondly, to measures for the prevention and elimination of waste. We in fact translate "conservation" and "efficiency" as being synonymous and our efforts have been devoted to that end. In connection with the coal resources of the western provinces we have given special attention to the wasteful methods, that are in operation and that are common in the West to-day.

By Hon. Mr. Watson:

Q. That is, in mining?—A. In mining. Particularly in connection with the mining of coal.

By Hon. Mr. McLennan:

Q. But you have not considered and made any recommendations to the Government or any department as, for example, to the advisability of not throwing any coal or mineral lands to be taken up by the public—or retaining them—or about the methods in which they were allotted to applicants?—A. No; our recommendations have been largely confined to recommending that an officer called some such title as Chief Inspector of Mines, be appointed to take measures to put a stop to this waste.

Q. The waste in the exploitation of the coal?—A. Yes, the waste in the actual exploitation of the coal.

By Hon. Mr. White:

Q. That is, after buying, after it is in the ownership of certain parties—after it has been taken up?—A. After or before, because we assumed as a matter of course that if such an official were appointed and were of the calibre of a man whom we recommended, that he would take steps to include in all new leases, or in any sales of coal lands, such provisions as would result in greater efficiency in the mining of coal. If such provisions were inserted, I take it that it follows as a matter of course, it is axiomatic, that it would reduce the amount of coal which was to be alienated.

Q. But this official for your department would not deal with the lands until after they were actually under lease? They would have to be under lease first before you would take notice of it?—A. He would not be an official of our department. The commission as yet does no administrative work whatsoever. Such an official would be an official of the Department of the Interior, as a matter of course, and, while we did not go so far as to make any definite recommendation we assumed, as a matter of course, that such an official would be consulted with reference to any changes in the regulations and probably with regard to the alienation of any considerable area of mineral lands or coal lands whatsoever. We just assumed that as a matter of course.

By the Chairman:

Q. Have you any policy, Mr. White, regarding the alienation of coal lands? Has it not been a policy laid down by your commission that those lands should not be alienated to any great extent?—A. The commission has advocated the leasing of the lands under strict regulations, but, as I said before, our attention has been principally devoted to our endeavour to eliminate the wasteful method of exploitation which are now in existence, which are common to-day.

By Hon. Mr. McLennan:

Q. Have those recommendations as to the system of leasing—have you recommended other than the present ones?—A. We made no recommendations—

Q. No recommendations?—A. Whatsoever, except this recommendation that this special official should be appointed.

Q. In the actual working, to avoid making other areas of coal inaccessible, etc.?—A. Yes, we advocated that this official should have very wide powers.

Hon. Mr. McLENNAN: That was all, Mr. Chairman, that I wanted to ask Mr. White.

By Hon. Mr. Watson:

Q. Have you a knowledge of the coal areas of the West, in your department? I suppose you have?—A. I have a certain amount of knowledge, yes, sir. The first work that I did was when I was on the Geological Survey in 1884 and 1885. The first work I did was in the West. I was assistant to the late Dr. Dawson, and in that, of course, I acquired a certain knowledge of the coal, particularly in the Rocky Mountains, where I was working.

Q. Have you any knowledge of the area of coal that is the subject of discussion here to-day?—A. No, I have not been anywhere near Smoky river, I have never been north of Athabaska.

Q. The quality of the coal never came to your knowledge?—A. No. That is a matter which would under ordinary circumstances come under the Department of Mines.

Q. But your work is general surveys of natural resources for the benefit of the people, and as to the quality of this coal, it was stated by Mr. Dowling that he discovered two or three years ago that it was the best coal in Canada. I thought probably the Conservation Commission would have taken note of that?—A. Well, I only knew of it from Mr. Dowling's report. In 1885 I was within a few miles of the place. But,

as a matter of fact, our trouble in Canada is that we have got too much coal. There is too much coal.

Q. I thought it would certainly attract the attention of the Conservation Commission to find out that the best coal in Canada was located away up in that section of the country. Dowling says that the best coal in Canada is there. I thought that would probably attract the attention of the Conservation Commission.

The CHAIRMAN: Hard coal, he says.

Mr. WHITE: Yes.

The CHAIRMAN: Semi-anthracite.

Mr. WHITE: Of course there is also the semi-anthracite on the Canadian Pacific near Banff.

Hon. Mr. WATSON: He says it is better than the coal on the Canadian Pacific. He says it is the best in Canada.

MONDAY, June 30, 1919.

WILLIAM McINNES, Directing Geologist, Geological Survey, Department of Mines, appeared as a witness, and, having been duly sworn, testified as follows:—

By Hon. Mr. Bostock:

Q. Mr. McInnes, we had evidence the other day from Mr. Dowling with regard to what he knew about these coal mines, and I understood that you had some further information which you would be in a position to give us?—A. I think Mr. Dowling has given you practically all the information we had; in fact, it was published in our summary report for 1916. I might explain that we publish in summary form the results of an exploration in order that it might be got out as quickly as possible. In some cases this is followed by a more extended report.

In the particular case of the exploration made by Mr. MacVicar we had a report from him after the summary report was received, but before a summary report was published; so that practically all the facts in his subsequent report were included in the summary, and the more extended report did not contain any facts of essential value that seemed to make it necessary to publish it after this summary report was published. I have the copy of this other report; some of the sections are given in a little more detail in it. If you would care to have me refer to that—

By the Chairman:

Q. It will not take long, will it? We would like to have the evidence if it is not too long?—A. But I should like to know exactly what you want me to tell you.

By Hon. Mr. Bostock:

Q. What we want to know is what you, as director of the department, think of the value of this as a natural resource of the country?—A. The exploration made was only a recognition; it necessarily cannot give in any detail the facts that are necessary to make an absolute estimate of the coal there; but from reading this report, one would infer that in the northern part of this basin there is an area of Kootenay rocks—that is coal-bearing rocks of the Kootenay—containing seams of an aggregate thickness of 43 feet. In the whole northern area according to this report there would be approximately 148 square miles.

By Hon. Mr. Watson:

Q. The thickness of the coal seams that you speak of is all the seams put together; that is several seams?—A. Yes.

Hon. Mr. McLENNAN: Several seams aggregated.

By Hon. Mr. Watson:

Q. Are they thick enough to work?—A. There is one seam of 12 feet, two seams of 4 feet each, two seams of 3 feet, and there is one seam of 7 feet.

By the Chairman:

Q. Are you speaking now of the Hoppe property?—A. I am speaking of the northern area where this property is situated.

Q. We would like you to confine yourself to this property?—A. The only information I have is by inference. That is, we have the number of seams that were exposed on the Smoky River section.

By Hon. Mr. Watson:

Q. That is what we want?—A. I can give you that. In descending order—do you care for it in detail?

By Hon. Mr. McLennan:

Q. No, I think you might give us the aggregate?—A. There is concealed coal 3 feet 6 inches, an interval of about 260 feet—

By Hon. Mr. Watson:

Q. Are you starting at the top or the bottom?—A. In descending order.

By Hon. Mr. White:

Q. What does 3 feet 6 inches mean?—A. 3 feet 6 inches thick.

Q. Would it vary in thickness?—A. Probably not. Perhaps I might explain. Of course we are all familiar with the manner of the occurrence of coal, but it is well to keep in mind the distinction between a vein as applied to ordinary metalliferous deposits and the seam of coal. A seam of coal is a layer or sheet, just like a bed of sandstone; that is, it would be represented in a succession of strata such as this—

By Hon. Mr. Watson:

Q. You mine by tunnelling instead of a shaft?—A. In this case they have simply driven into the side of the hill.

By Hon. Mr. McLennan:

Q. The outcrop is exposed?—A. Yes, along the sides of the hill.

By Hon. Mr. Watson:

Q. The seams are practically horizontal?—A. No, they are not horizontal; they are at angles of about 30 degrees.

By Hon. Mr. McLennan:

Q. I thought your report said 14 to 17 degrees?—A. 20 to 30 degrees is my remembrance.

By Hon. Mr. Watson:

Q. They would drive in tunnels and operate in that way?—A. Yes. Of course, it does not necessarily follow that that would be the method adopted when you finally came to mine that coal. It might be found advisable to go inland and sink a shaft, but that is the way it was opened in order to see the thickness of the seams.

Q. Very often coal is mined on great shafts running perpendicular?—A. Of course it is only perpendicular in case it is laid down like this, and may be folded up like this; but it still runs and follows the convolutions.

Q. Can you tell us the depth from the surface? What pressure would there be above that?—A. There is 559 and 79 and 34 and 195 and 92 and 14, above the first seam.

Q. That is in feet?—A. Yes.

Q. That would be about 1,000 feet?—A. Hardly that, about 700 feet.

Q. We know that the pressure on the coal regulates the quality of the coal?—

A. Yes.

Q. The more pressure you get the better the coal?—A. Yes. The coal is comparatively old; that is—

Q. 3 feet 6 inches, you say?—A. 3 feet 6; 1 foot; 1 foot; 2 feet; 4 feet; 12 foot seam before the first 1 foot.

Q. 1 foot is no good?—A. A 12 foot seam comes in. Then about 5 miles up the Smoky River in a gulch opposite Augustus Meadows the face of the Kootenay is uncovered and 50 feet above the conglomerate a 7 foot seam of anthracite coal occurs. At a distance of about 400 feet above the conglomerate three coal seams occur; the 7 foot one above mentioned, a 10 foot seam, and a 15 foot seam.

By the Chairman:

Q. It is all on this property?—A. I only have it fixed by the geographical description.

By Hon. Mr. Watson:

Q. The two 7 foot seams are anthracite?—A. Yes, the 7 foot seam is the best of the lot.

Q. There are two 7 foot seams?—A. No, one 7 foot, one 10, and a 15.

Q. What quality of coal is the 10 foot seam?—A. We have not the analyses to pick out those individual seams, but we have analyses which show that all these coals are of a very high quality of bituminous coal.

Q. Including the 15-foot seam?—A. Yes; and the 7-foot one is a particularly hard coal—that is it more nearly approximates anthracite.

Q. Mr. Dowling told us it was the best coal in Canada?—A. The coal is very similar in analysis to the Canmore coal, but the beds are less disturbed, and the coal, one would anticipate, could be got out in larger blocks—it would not be so crushed.

By the Chairman:

Q. It is not as friable?—A. No.

Q. Is not that a great advantage?—A. Oh, certainly.

By Hon. Mr. Watson:

Q. You would not have any knowledge from the formation there as to the necessity of prop-timbers, and so forth, for mining?—A. Well from the description here, and from what we know of the character of the sandstone and shale of this formation generally, one would think it would probably have a good roof.

By Hon. Mr. McLennan:

Q. The report made by the mining engineer employed by Dr. Hoppe said the roof and floor were very good. What would you say from your knowledge of the geological structure?—A. I would be inclined to think that was right.

By the Chairman:

Q. Could you give the Committee any idea of the value and the extent of the coal that is there? Have you any information to show the extent of the coal that is in that area of Dr. Hoppe's claim? There were eight claims there?—A. Well, one has to make only an exceedingly approximate estimate, because we have not the

knowledge. In the first place, a 1 foot seam over a square mile would yield 130,000 tons.

By Hon. W. B. Ross:

If you took it all out?—A. If it was all taken out. Supposing you had an area of 20 square miles of these claims that were underlain by coal, you would get 22,650,000 tons for every square mile. If you would assume that you could take out your 12 foot seam and your 7 foot seam, and perhaps add enough to make it 20 feet of coal altogether—

By Hon. Mr. Watson:

Q. Out of 32?—A. I am just supposing. We can only make a guess of what we have got; or at least just judge.

By Hon. W. B. Ross:

Q. You assume certain things?—A. That is all we have. And presuming that half this coal was got out—

By Hon. Mr. Bostock:

Q. Half the area of the 148 square miles?—A. Oh, no, this 20 miles, half the section of coal—I am assuming that you could actually get half of it.

By Hon. Mr. Watson:

Q. You would not be satisfied with half, would you?—A. It would give you about 200,000,000 tons.

By Hon. Mr. Bostock:

Q. So the estimate made by Dr. Hoppe's engineer was not an extravagant one. He estimated 200,000,000 tons. That would not be a very extravagant estimate?—A. I do not think so.

By Hon. Mr. Watson:

Q. So far as you know all the seams you have described at the present time are above water?—A. Oh, yes. To give you a sort of idea of the character of the country, I will show you these photographs.

By the Chairman:

Q. It is a pretty difficult country to go in and survey?—A. Yes.

By Hon. Mr. Watson:

Q. Is it rock above the coal?—A. Yes.

By Hon. Mr. White:

Q. Do these red lines indicate the seams?—A. With a fine glass on this you can see the twist in the rock. Probably it is a reverse fold—the rock has been pushed right over like that.

MONDAY, 30th June, 1919.

GEO. H. CRAIG appeared as a witness, and having been duly sworn, testified as follows:

By the Clerk of the Committee:

Q. What is your name?—A. Geo. H. Craig.

Q. What is your occupation?—A. Civil servant. In the Surveyor General's office, Department of the Interior, a clerk.

By Hon. Mr. Bostock.

Q. Are you related in any way to Dr. Shillington?—A. I am a half-brother.

Q. Are you the brother that he mentioned in his evidence the other day as going up to Edmonton, or to these claims on Smoky river in the fall of last year?—A. Yes.

Q. At what time did you leave Ottawa?—A. It was some time around the last of July or first of August, I think. I could not fix the date; I didn't know anything about this thing, but I could find out.

Q. Would the records of the department show?—A. The records would show. I had leave to go at the time.

By Hon. Mr. McLennan:

Q. Who gave you permission to go?—A. The Deputy Minister, Mr. Cory.

Q. Did they know where you were going?—A. I didn't ask them.

Q. You asked for leave of absence?—A. Just leave to go.

Q. To go to that particular place?—A. No, just leave for thirty days or forty-five days, I forget just what it was.

By Hon. Mr. Bostock:

Q. Did you go by yourself, or with anybody else?—A. To the property?—oh, I had a bunch of men with me.

Q. But did you leave Ottawa alone?—A. No, I went with Mr. Robins; he came on the train with me.

Q. As far as Edmonton?—A. As far as Edmonton, yes.

Q. And then in Edmonton you picked up some men and went up to the property?—A. I picked up eight men in Edmonton, and got my packer at Entrance.

Q. Are those eight men the men that are mentioned in this affidavit—William R. Gouin, Charles W. Coppock, Arthur H. Weir, Alfred E. Austin, Robert W. McClung, Gordon E. H. Hauff, William Burrett, John A. Leask?—A. Yes.

Q. How did you get in touch with those men?—A. I have known some of them for years—Weir and Austin and Leask—and the others, I got some of the boys around town to pick up for me.

Q. And you made up this party?—A. I made up the party, yes.

By the Chairman:

Q. You paid those men so much a day?—A. Five dollars a day for the time.

By Hon. Mr. Bostock:

Q. You mentioned Mr. Robins as going to Edmonton with you; was he the minister's secretary for the Indian Affairs Department?—A. Yes.

Q. You know him well, of course?—A. I have known Mr. Robins for years, yes.

Q. You have been intimate with him; why should Mr. Robins go with you on this trip?—A. He did not go with me on the trip at all, we just were on the same train.

Q. He left Ottawa with you, and went through to Edmonton?—A. Yes, I have known him for years and we just went together on the train. I was not in the same room with him at all, or anything like that.

By the Chairman:

Q. Was he an official of the department at that time?—A. I don't know whether he was an official at that time, or whether he had left.

Q. Did you and Mr. Robins talk of these claims?—A. No, I never spoke of those properties with Mr. Robins.

Q. Either when he was in the department or on the train?—A. No.

By Hon. Mr. Michener:

Q. Did Mr. Robins say what he was going to Edmonton for?—A. Well, I understood he was going on some departmental business; I did not know.

By the Chairman:

- Q. Do you know how long Mr. Robins was in Edmonton?—A. No, I don't.
Q. Did he accompany you in reference to the claims?—A. No, oh no.

By Hon. Mr. Bostock:

- Q. On what day did you leave Edmonton with those men?—A. Well, I couldn't just tell you. I think I left on Friday.

By the Chairman:

- Q. On what date?—A. I couldn't give you the date.

By Hon. Mr. McLennan:

- Q. Have you any memorandum in your possession by looking up which you could give further information?—A. Yes, I think I have some papers at home: I don't know just where they are. When I completed the thing I had to make a statement, but just where it is I couldn't say.

By the Chairman:

- Q. How long was it from the time you left Edmonton till you got back?—A. I think about fifteen or sixteen days.

By Hon. Mr. Bostock:

- Q. How many days on the train?—A. Going up on the train, about nine o'clock in the morning, got off some time about seven in the evening.

By Hon. Mr. Watson:

- Q. Where?—A. At Entrance.

By the Chairman:

- Q. How far did you have to go from there into the coal area?—A. About eight miles, they figured.

- Q. How did you get there?—A. With pack horses.

- Q. Where did you get the pack horses?—A. At Entrance.

- Q. You were sixteen days from the time you went to the property from Edmonton till you got back?—A. Yes. Part of it is an easy trail, and part of it is a pretty hard trail, but generally speaking it is a fairly good trail.

By Hon. Mr. McLennan:

- Q. And each of those men staked out on the area there?—A. Yes.

By Hon. Mr. Bostock:

- Q. With your assistance?—A. Well, I was in charge of the party; I had to show them what part to stake; you couldn't have them all running out and staking the claim.

By Hon. Mr. Watson:

- Q. How did you know what part of the place to stake?—A. I got instructions from Dr. Shillington before I left.

- Q. In what shape—a map?—A. Yes, I got a map from the department, and he told me about the area to stake. He told me to go and see the area and stake out what part I thought best.

- Q. But you were guided in staking by that map?—A. Well, of course I had to have a map to show me the course of the river, and where to stake out.

- Q. But you were guided in your staking by the map you received here?—A. In the setting down of my posts at particular points?

- Q. In making your location?—A. No.

By Hon. Mr. McLennan:

Q. You had a description of the property which you wished to cover?—A. I had a description of the area at the mouth of the Muskeg and the Smoky river, and extending up the Smoky river.

By the Chairman:

Q. Did you not have a map showing the exact area you were going to stake?—A. I did not.

By Hon. Mr. Watson:

Q. Did you have a map showing the exact area of Hoppe's claim?—A. No, I didn't have anything at that time. The map, well, I couldn't say.

Q. You were not prospectors, you were out there to re-stake this property?—A. Yes.

By the Chairman:

Q. You knew exactly where you were going?—A. Yes, I knew where I was going.

Q. And what you were going to do?—A. Yes.

By Hon. Mr. Watson:

Q. You were not prospectors, you went out to stake the claim?—A. Yes.

By Hon. Mr. McLennan:

Q. And about that you got the information from Dr. Shillington?—A. Yes, he gave me the information.

By the Chairman:

Q. Did you put new stakes in the ground?—A. We couldn't find the old stakes, except in one place we ran across four or five on the side of the hill, and we supposed they were Hoppe's stakes.

Q. I suppose your stakes came pretty near those stakes?—A. Yes.

By Hon. Mr. Watson:

Q. Where you could find them you located along the same lines?—A. Yes, we located along the same lines.

By the Chairman:

Q. Was there any line established?—A. No, the only place where we could follow the line had been burned over, and we could see no trace of the line at all.

By Hon. Mr. McLennan:

Q. Was it a rough country?—A. Is it a very rough country, it is right in the foot hills.

By the Chairman:

Q. You could not take the horses over the line?—A. Well, you could take those pack ponies almost any place, but it would be a very bad country to get through.

By Hon. Mr. McLennan:

Q. Were you familiar with the West?—A. Yes, I went to the West first in 1904.

By Hon. Mr. Bostock:

Q. Did you find any of those tunnels on the property?—A. No, I didn't find any tunnels on the property, but there was one place where we could see a hole up in the

hill, and we supposed it had been a tunnel, but there had been a terrible wash-out. We could see there where trees and stumps had been burnd hollow, like they start in at the bottom, and burn up. We could see there eight feet of gravel and sand and stuff washed down there that was as hard as cement; there must have been a terrible wash of water over it after Hoppe had left.

By Hon. Mr. McLennan:

Q. It had packed in there and obliterated?—A. Yes.

Q. You were not in those tunnels that were cut in there?—A. No.

Q. But you saw one that looked as if it was a tunnel going in?—A. Yes, Mr. Monahan, the packer up there, met the Indians that were camping down some place on the Smoky river and they told him there was a tunnel up there about twenty-five feet deep.

Q. It was still left?—A. Yes, but the front of it was washed off. That is the only one I saw.

By Hon. Mr. Bostock:

Q. How many days did it take you to do this staking?—A. Three days.

By the Chairman:

Q. That was pretty good work?—A. Well, they were getting pretty sick of the job, and the Smoky River is a bad river, and when we got across we took enough grub with us to make a job of it and come back. We had no boat to go on; we had nothing but a raft we constructed ourselves.

By Hon. Mr. Bostock:

Q. Then when did you get back to Edmonton?—A. Sixteen or seventeen days after we left.

Q. It took you seventeen days to make the round trip?—A. Yes.

By the Chairman:

Q. It took to the end of August, did I understand?—A. The end of July or the first of August that I left Ottawa.

Q. When did you leave Edmonton to go north?—A. About three or four days after I got into Edmonton. I could not get a packer.

Q. Cannot you fix the date?—A. No, I can't. It was about three days when we got into Edmonton, on Monday or Tuesday morning, and we left there the next Friday.

Q. Would it be July or August?—A. I couldn't say.

Hon. Mr. MCLENNAN: Mr. Craig said he had a memorandum that he could look up for us later.

WITNESS: All that I would have would be my dates that I paid certain money out.

By Hon. Mr. Willoughby:

Q. You got leave of absence, and you know how soon you left after that, and you could check it up?—A. I could check it up. You see, I have done this thing quite often for different people, and generally when the job was done and I am paid off I keep no trace of the thing.

By the Chairman:

Q. You were simply paid to go there and do this thing?—A. Paid to go there: I had done this thing before for the doctor and for other people, and when the job was over I generally considered that papers are dead ones.

Q. Did the men stake those claims?—A. Yes.

Q. When they staked them, did they sign an assignment immediately before they staked, or right after they staked?—A. I couldn't say; Mr. Percy Abbott in Edmonton did the legal end of the business, and I had nothing to do with it.

By Hon. Mr. Watson:

Q. Did you bring back the assignments with you?—A. I couldn't say.

By the Chairman:

Q. You were paying those men to make those stakings?—A. Yes.

Q. And if there was no assignment made—A. Oh, well, I make them sign an agreement to go and do this work for me and then transfer the property to whoever I say when I come back. I make them do that before I pay them.

By Hon. Mr. Watson:

Q. Before you started from Edmonton those men agreed with you to transfer the property after it was staked?—A. To transfer that property, yes.

Q. Transfer it to whom?—A. This was transferred to Dr. Shillington.

By Hon. Mr. McLennan:

Q. But you said you had done this quite frequently for other people?—A. Yes.

Q. Can you always get leave from the department?—A. No, I never was in the Government till the war broke out; I never worked there till, I think, 1915.

Q. You said you went to the West in 1904?—A. Yes. I came back in 1906, and I have been in New Ontario most of the time since.

By the Chairman:

Q. You were about two years in the West?—A. Yes.

Q. What part of the West were you in?—A. Edmonton.

Q. Between 1904 and 1906, then you came back and went in New Ontario?—A. I came back in the fall of 1906 and went up to New Ontario.

Q. And how long did you remain there?—A. I was up there, off and on, until the Conservatives came into power.

By Hon. Mr. Watson:

Q. Do you mean the Union Government, or the other one?—A. The Conservatives.

By the Chairman:

Q. You did not enlist for the war yourself?—A. No, I was turned down.

By Hon. Mr. McLennan:

Q. Then you came back in 1911 from New Ontario to Ottawa?—A. No, I was down in Montreal for a while, and then I went back to New Ontario again, and in 1911 I got married, and I have been here nearly all the time since; that is, I have not spent much time up in New Ontario.

Q. And no time at all in Edmonton or thereabouts?—A. Since then, oh yes, I have been out in the West three times since then.

Q. Just like this—casual trips for a few days?—A. Yes.

Q. But not to live there?—A. No.

By Hon. Mr. Michener:

Q. Did you meet any of those men there casually since 1906?—A. Oh yes, when I was out there before I met Weir and Austin; they are old friends of mine.

Q. This man McClung, what is his business?—A. He is an insurance agent.

Q. Which of those men did you know before?—A. Weir and Austin and Leask.

By the Chairman:

Q. Did Mr. McClung go with you on this trip?—A. Yes.

Q. And he was paid just like the other men?—A. Yes; he took it more as a holiday than the salary he got out of it.

By Hon. Mr. Michener:

Q. Do you say that you and Mr. Robins did not discuss the coal area at all on the way to Edmonton?—A. No, I never discussed the property with Mr. Robins.

Q. No reference was made to it?—A. No, not with me.

By Hon. Mr. Watson:

Q. Did Mr. Robins return with you?—A. No, he was in Edmonton two or three days, and left there before I went away to stake.

Q. Did he assist you in organizing your party to stake?—A. No, he had nothing to do with the organization.

By Hon. Mr. McLennan:

Q. You were on good terms with Mr. Robins; you have known him off and on?—A. Oh, I had known him for years, yes.

Q. And you travelled four or five days in the train together, and you did not talk; you never happened to say anything about what you were going out for, or anything of that kind?—A. Oh, I don't know, I guess he knew what I was going on, but what I thought you meant was that I had discussed the thing with him, as having information or telling him what I was going to do.

By Hon. Mr. Watson:

Q. You had all the information before you left Ottawa?—A. I had all the information.

By Hon. Mr. McLennan:

Q. Then it was purely accidental that he went on the same train as you?—A. Yes.

By the Chairman:

Q. Did you meet him at any time in the office of Mr. Abbott?—A. No, I don't think so; we went to the theatre together.

Q. You don't think he was in Mr. Abbott's office?—A. No.

Q. Then you don't think he had anything to do with Mr. Abbott at all?—A. No.

By Hon. Mr. Michener:

Q. You had some information in regard to this coal area; did you get any of it from the department yourself?—A. No, I did not get any information, I don't think, from the department. I had no information at all, only the map. I had no interest in the—

Q. You speak of being interested at times in making locations for different parties?—A. Yes.

Q. Did you not as a matter of fact have information at times from the department, which you spoke to other people outside regarding?—A. No, I don't think so.

Q. In connection with this particular area you know all about who owned it and the probability of the leases being cancelled?—A. Oh, I have known this area for years. You can't knock around with miners and not hear about coal properties and all this kind of thing.

By the Chairman:

Q. Did you or did you not know, Mr. Craig, that this property, Hoppe's leases, were likely to be cancelled, before you went out from here at all?—A. Oh, well, I didn't know anything about it.

Q. You didn't know anything about it?—A. No. I understood that Hoppe was a German and that his property was taken away from him.

Q. You do not answer the question very frankly?—A. I will answer anything, sir.

Q. First you said you did not know and then you said you did?—A. Ask me your question.

Q. What I want to know is this: did you not know before you left here that these lands were going to be cancelled?—A. No.

Q. You did not?—A. I thought they had been cancelled.

Q. You thought they had been cancelled?

By Hon. Mr. Willoughby:

Q. Had you made any other trips after you entered the department, for staking purposes?—A. No, that is the only one.

Q. You spoke of having made several trips for similar purposes?—A. Yes, but I have only been in the Government since 1915. This was previous to my coming into the Government that I made those trips.

Q. You are in what department?—A. Surveyor General's—Interior.

Q. Have you not the records of coal?—A. No, we have no records of coal there. It is all survey work.

By Hon. Mr. Michener:

Q. Were you in any other department previous to this?—A. I was in the registration branch of the same department.

Q. How long were you there?—A. I was there about two years, I think; with Mr. Roberts.

By Hon. Mr. Barnard:

Q. Mr. Craig, how long after you came back from the coal lands to Edmonton were the applications themselves actually made out, in the land office at Edmonton? How long had you been in Edmonton on your return trip from the coal lands when the applications themselves were made out?—A. Well, let me see. We got in in the morning and I think we started to work on them that afternoon. It is quite a job to make applications in a country like that. You see, every application has got to be described very particularly, and we started in on them. It was the evening of the next day or the day after when we got them completed.

Q. Some applications, I notice, are dated the 29th and 30th of August. They would have been made directly?—A. Well, you see, I got them filled out. There was a fellow, Barnet, that wanted to get away some place; I think he told me he had another position; and I got his application filled in as quick as I could to let him get away.

Q. You did that when you got back?—A. Just as soon as I got in.

Q. It would not be more than two days at the outside?—A. About two days and a half until the job was completed.

By Hon. Mr. Watson:

Q. How were you able to describe these locations, Mr. Craig? Did you have an engineer or surveyor with you?—A. No. That is a pretty hard question.

Q. Did you have a compass?—A. We had a compass. Oh, I don't know—you just get used to that thing, going into the bush and staking.

Q. Did you chain it off?—A. Oh, yes, they have got to be measured.

Q. Did you measure them?—A. Oh, yes. Well, I didn't measure them; you see, I had some other fellows measuring part of the time and part of the time I measured myself.

By Hon. Mr. McLennan:

Q. Your party measured?—A. Yes.

By Hon. Mr. Watson:

Q. Did you refer occasionally to the map you had as to whether you had the correct measurements or not?—A. I don't think so. When you get used to that sort of thing, in the bush, you don't trouble much about maps or anything else.

Q. But you had to describe them?—A. Oh, yes, of course we had to describe them. I had to keep tab on the distances in order to describe them.

Q. And the map you had was of no assistance to you, was it?—A. Very little assistance.

By Hon. Mr. Barnard:

Q. Are you a surveyor?—A. No, I am not a surveyor.

By the Chairman:

Q. Did you have the lines cut out from the stakes, so as to sight through from one stake to the other?—A. We cut them out. Most of this stuff showed staked on the side-hill. Most of it is above the timber line.

By Hon. Mr. Watson:

Q. How many miles did you run to make the locations? Did you run the mileage around all those claims?—A. You don't run around; you run through them.

Q. How many miles?—A. I think, eight or nine miles—nine miles, I guess. Then there is a little claim on the east of the Smoky. It is about, I guess, about a mile and a quarter. Probably ten miles or something like that.

Q. How would you locate 29 square miles of coal areas, running lines for nine miles?—A. That is very easy. If you have a pencil I will show. You see, there is your claim; or it may be staked this way. You put your number one post in the centre of the claim and it reads so many miles, or so many feet, to No. 2, and so many feet to the east or west, whatever the case may be—to the right or left, whatever the case may be. Well, you can run a claim a mile long here, this way, on the bottom of this—have it run 20,000 feet to the right, and 20,000 feet to the left, and you have staked eight square miles.

By the Chairman:

Q. Would you not have to give the degree?—A. As near as possible. It is very easy to stake them when you can stake eight square miles. It is easy to stake eight square miles or stake a big area when, by running one mile in length, you can stake eight square miles.

Q. Did you lay those out with the magnetic or the astronomical north? Did you lay them out with a compass?—A. Well, magnetic, as near as possible.

Q. How did you describe them?—A. Of course, running by the compass, you cannot—if you can get within 10 or 15 degrees you are doing very well.

By Hon. Mr. Bostock:

Q. Mr. Craig, you made an affidavit here in the department in which you stated that, "To my certain knowledge the applicants are not subjects of alien enemy countries"?—A. Yes.

Q. How did you know that?—A. Well, I knew that Austin and Weir and Leask were not. I had known them for years. And the other fellows I assured myself from people around Edmonton that they were perfectly right, before I would take them.

By Hon. Mr. Michener:

Q. Did you know the nationality of Mr. Hauff?—A. Yes, Hauff was a wounded soldier.

By the Chairman:

Q. He was what?—A. A soldier who was back from the front; an Englishman—an old country Englishman who had been to the front.

By Hon. Mr. Bostock:

Q. Well, at the time that you made that affidavit before Mr. Spence, were you asked to sign one which read very differently?—A. I don't remember.

Q. A printed form, the first clause of which was: "That I am an applicant to acquire mining rights on Dominion lands;" and the second was, "that I was, at the commencement of the present war, and that I have since continued to be a British subject, or a subject of a country which is an ally of His Majesty in the present war, or a subject of a neutral country."—A. No, I don't remember of being asked to sign that.

Q. You do not remember seeing that at all.

By Hon. Mr. McLennan:

Q. Well, if you inquired on this point at Edmonton, to satisfy yourself about these other men coming within the proper class to take up claims, how was it you did not fill out the form that they are required to fill in order to make those applications valid? It has been explained to us that this was done afterwards, to make good that oversight in Edmonton?—A. Well, that was part of the lawyer's business. I did not bother with that. Mr. Abbott attended to that.

Q. But you did make inquiries at Edmonton?—A. Oh, yes.

Q. About these men that you had not known for years?—A. Well, I understood that no person but a British subject was allowed to take these claims and I did not want to go up—

By Hon. Mr. Bostock:

Q. But you do not state in this affidavit that those people were British subjects?—A. I thought I did.

Q. You say they are not subjects of alien enemy countries that is all.

By the Chairman:

Q. Did you ever ask any of these men to sign the proper affidavits when they had filed the statement?—A. No, I left that out.

By Hon. Mr. Michener:

Q. Why did not Mr. Abbott, if they signed affidavits as to their nationality—why did you not see that they were sent in?—A. I left that to him.

Q. But you were inquiring as to their nationality?—A. Yes, because I understood they had to be British subjects in order to stake, and I did not want to go up there with some Austrian and come back and find out he had no right to stake, after I had made the trip with him.

By the Chairman:

Q. What reason had you to suppose, Mr. Craig, that the department would accept your affidavit in place of theirs?—A. I didn't know that it had to be made at all.

Hon. Mr. MCLENNAN: Until later on.

Mr. CRAIG: I didn't know anything about it at all.

By Hon. Mr. Bostock:

Q. Who asked you to make it out?—A. I don't know who asked me. I guess it was Dr. Shillington.

Q. To make this affidavit?—A. Yes.

By Hon. W. B. Ross:

Q. Mr. Craig, you were in the mines office at Edmonton?—A. I had to be there to report, to see that these fellows recorded.

Q. But you were in the office. What notice did you see on the board, or on the walls of that office, relating to the Hoppe area, or did you see any?—A. No, I don't think I looked for it at all. I don't know that I saw anything in connection with it.

Q. So that you did not know whether there was a notice in that office or not?—A. I did not.

Q. The Hoppe areas, you understood, were cancelled before you left?—A. I understood that as soon as Germany went to war that the holdings of any German who had not become a Canadian was cancelled.

Q. And that Hoppe's area was?—A. Yes, this with other areas.

Q. But you saw no trace of a notice in the office at Edmonton?—A. I never looked.

By Hon. Mr. Watson:

Q. Did you make any inquiries in the registrar's office before you left for the staking?—A. No.

By Hon. Mr. Bostock:

Q. Did you receive any instructions from Dr. Shillington to look for that notice in Edmonton?—A. I did not.

Q. You went straight ahead?—A. I went out there. I understood that they were open.

By the Chairman:

Q. You were instructed where to go and locate them?—A. Where to go and locate them.

Q. From Dr. Shillington?—A. From Dr. Shillington.

By Hon. Mr. Michener:

Q. Your transfer from the Record Department was at your request?—A. No. I understood I was to get an increase in salary when I was appointed there to the registration branch. I went in first into the stationery branch, and the position was no good. I could not live on it at all. And Mr. Mitchell gave me this position up there in place of a returned soldier. Well, while I was on his job I could not get any more than he had got before he went to the front, and I had given Mitchell and Mr. Gibson, the deputy's secretary, considerable trouble over trying to get me something. I think they told me this position was open and that the fellow who had vacated it was better paid than I was, and they thought they would be able to get me a raise if I went down and took it.

Q. You were on friendly terms with Mr. Robins and Mr. Mitchell, were you not? That is, you knew them very well?—A. I had known them as friends for years; not particularly, though.

Q. Is it the custom on your vacations to travel on a pass?—A. No, I have never travelled on a pass in my life, that I know of.

Q. You never secured a pass?—A. I never had a pass in my life that I know of.

By Hon. Mr. McLennan:

Q. Had you any vacation in 1918, besides this?—A. No. Well, I think I had part of my statutory holidays and I think part of my holidays went into this. I am not sure.

By the Chairman:

Q. Did you draw your pay from the department while you were away?—A. No, no.

Q. You did not?—A. No.

By Hon. Mr. Watson:

Q. During your statutory holidays you were drawing your pay?—A. Oh, yes, in my statutory holidays, but not from my leave for this.

Q. But you say you think some of this was in your statutory holidays?—A. It might have been; I am not sure.

By Hon. Mr. McLennan:

Q. How much statutory holidays are you entitled to?—A. Three weeks.

Q. You must have been gone five or six weeks?—A. About five weeks, I think I was.

Q. You went to see Mr. Cory, the Deputy Minister?—A. No, sir, I didn't see Mr. Cory; I saw Mr. Gibson, Mr. Cory's secretary.

Q. He told you you could go?—A. He told me I could have the holidays, yes.

By the Chairman:

Q. Could he do that on his own initiative? Would you not have to submit that to Mr. Cory?—A. I think Mr. Gibson's recommendation generally goes in anything like that.

By Mr. Willoughby:

Q. Did the stakers all live in Edmonton?—A. Well, I think they are all residents of Edmonton except that fellow Hauff.

Q. Where does he live?—A. He was a soldier, and he went from Edmonton, I think, to the front, but his home was in England, and he was pretty badly wounded, and I think he was counting on going back to his home.

By the Chairman:

Q. You think he is back home in England?—A. Well, I am not sure.

Q. But you think that?—A. Well, he told me that if he got his back pay or something that was coming to him he was going back to England. I think his people are very well off.

By Hon. Mr. Watson:

Q. That was a pretty hard trip to take a badly wounded soldier on?—A. No, on horseback.

Hon. Mr. McLennan: He was convalescent then.

By Hon. Mr. Bostock:

Q. You state you made this affidavit simply on what these men told you? You had no other information?—A. Of course Mr. Abbott got some of these men. He got that man Gouin and Barnard—Barnett, and I knew of both Barnett and Gouin before I met them. Barnett comes from some place up near Perth originally, and Gouin is an old Ottawa boy. I had heard of them—heard of Gouin particularly, years ago. He is a very comical fellow and has been quite a character up in that country for years; and the other fellows, the other three, I knew; McClung I did not know; and Hauff, I thought he must be a British subject when he was good enough to go to the front anyway.

By the Chairman:

Q. Did you not take great chances, Mr. Craig, in taking an affidavit about the nationality of men whom you did not know?—A. I consider I did know them.

Q. But you admit yourself?—A. Well, but I asked Mr. Abbott to get me some of them, and the other fellows were said by good responsible people—that they knew them to be British subjects.

By Hon. Mr. Bostock:

Q. But you say in this affidavit to your certain knowledge?—A. I would consider that would be to my certain knowledge.

By Hon. Mr. Michener:

Q. You are prepared to swear that these men were British subjects?—A. I was.

Q. Are you prepared now?—A. I think they are, yes. Well, if there is any doubt about it, I am not going to swear it. I had not any doubt then, and unless there is something that has come up—

By Hon. Mr. Barnard:

Q. Have you any doubt now?—A. No, I have not.

By Hon. Mr. Michener:

Q. You are prepared to swear they are British subjects?—A. I am not prepared to swear if there is anything wrong, but I am prepared to swear I believe they are British subjects, and that I believed it when I took that affidavit.

By Hon. Mr. Bostock:

Q. But you say, to your certain knowledge?—A. I would consider that certain knowledge. If a responsible man took me to a man and said he had known this man and knew he was a Canadian and that he had lived in a town there for years, and afterwards I was out with the man and talked to him and asked him the personal question myself, I would consider that good enough to take an affidavit on. It was not anything that they had to cover up.

The CHAIRMAN: It was quite a risk, I think, to take an affidavit on information of that kind. Is there anything more, gentlemen, that you want?

By Hon. Mr. Watson:

Q. Do you know whether Mr. Robins went to Mr. Abbott's office in Edmonton or not?—A. I did not see him there. He might have been. I was so busy with this thing, getting these men and trying to get a packer. We tried to get that man that ran the pack outfits from Jasper park—Brewsters—and we could not get them, and could not get telephone connections; and I was over at the Canadian Northern offices and around town trying to get the men all the time, and any time I went to Mr. Abbott's was when he had something for me to do or some man for me to go and round up, who was ready to go.

By Hon. Mr. Michener:

Q. Would you swear Mr. Robins did not go to Edmonton on this particular business?—A. I don't think he did.

Q. Would you swear he did not?—A. No, I would not; I do not know that he did not; he did not tell me that he was going on this particular business.

Q. Do you know Mr. Blair, the member for one of the Alberta constituencies?—A. Yes.

Q. Did you meet him at Edmonton?—A. When we got off at the station we drove down on the car together.

Q. Did you discuss this with him?—A. No.

Q. Anything in connection with the business you were on?—A. No, I did not.

Q. Nor Mr. Robins either?—A. No; I did not consider it was their doings. When I am sent to work for people I do not tell anybody what I am going to do.

The CHAIRMAN: That is right.

By Hon. Mr. Watson:

- Q. You have no knowledge whether Mr. Robins saw Mr. Abbot in Edmonton?
—A. Oh, yes, he did, because we all went to the theatre together.

By the Chairman:

- Q. Mr. Abbot and you?—A. And, I think, Mr. Essery, another friend of mine.

By Hon. Mr. Willoughby:

- Q. Was that before you went staking?—A. Oh, yes, because I did not see them at all after I came back, except Mr. Abbott. I had of course to get him to make out my application.

- Q. Mr. Robins had left there by the time you returned?—A. Yes.

By Hon. Mr. McLennan:

- Q. But while he was there with you you did not tell him how you were getting on, or what you were doing?—A. No.

By Hon. Mr. Watson:

- Q. Or about getting up your party?—A. No; I told him I was having considerable trouble—I was having an awful time to get men, but I did not discuss the deal with him at all. I considered I might put my foot in it.

By Hon. Mr. Willoughby:

- Q. I would like to be clear on this. Did you and Mr. Robins have any talk at all about the object of your visit up there on the train going up?—A. Yes, oh, yes; I discussed coal and a dozen other things with him, and I told him—

- Q. Well, about this particular matter?—A. That I was going up to stake an area—yes.

By Hon. Mr. Watson:

- Q. Did he appear to know anything about the matter?—A. He didn't seem to be very intelligent on coal, at all.

- Q. Did he appear to know anything about the coal area you were going to stake?—A. No, he did not discuss the area with me at all.

By Hon. Mr. Willoughby:

- Q. Did you not tell him it was the Hoppe area?—A. No.

- Q. That was not mentioned at all?—A. No. These people that were sending me had considerable money invested in this proposition.

By Hon. Mr. Watson:

- Q. At that time?—A. Well, they gave me about \$1,500 to go on. I consider that was considerable.

By Hon. Mr. Willoughby:

- Q. All you told him was you were going up to stake a coal area?—A. Yes.

- Q. But you never told him it was the Hoppe area?—A. I never told him it was the Hoppe area at all.

- Q. But did you not tell him where you were going to stake the area after you got to Edmonton?—A. No, I did not.

By Hon. Mr. Watson:

- Q. In discussing the difficulty of getting men you did not refer to where you were going?—A. No; the men did not know where they were going, or the packer did not know.

Q. You said you were discussing the difficulty of getting men with Robins?—
A. Yes.

Q. Did you not mention the direction you were going at that time to Mr. Robins?—
A. I told him I was going up the Grand Trunk—that we started on the Grand Trunk Pacific. That is all.

By Hon. Mr. Michener:

Q. Mr. Craig, you say you got \$1,500 in connection with the staking, etc. Did it take all of this \$1,500?—A. It took more than that.

Q. Who all did you pay money out to in connection with this?—A. I paid all these men; they got \$100 apiece; then there were train fares which came to about eleven or twelve dollars each, and meals on the train, and I paid Morris and Company about \$125. I had to pay my railway fare from Ottawa.

Q. Did you pay Mr. Robins' railway fare?—A. I did not.

Q. You will swear he did not get any money in connection with that?—A. I positively swear he did not get a dollar from me.

Q. Or that you don't know that he got any money for his expenses?—A. I don't know that he got any; if he did, I didn't know it.

Q. It took more than \$1,500?—A. Yes, I had to make a draft from Edmonton.

Q. How much was that?—A. \$500 or \$525.

Q. Altogether about \$2,000?—A. About \$2,000 in all, it cost me about \$2,000 or \$2,100.

By the Chairman:

Q. Were you ever in Mr. Rowatt's office at all when this was under discussion?—
A. After I came back—

Q. Oh, no, before you went away?—A. No, I don't think I was.

Q. Had you any conversation with any of Mr. Rowatt's officials?—A. I don't think so; I don't think I talked to any of them until after I came back.

Q. Did I understand you to swear a moment ago that you did not know anything about these claims being cancelled only what you learned from Dr. Shillington?—A. I never knew anything about them being cancelled, or anything about them, until the doctor told me about them.

Q. Was that long before you left here?—A. No, it was not.

Q. How long?—A. I should say three or four days—two or three days.

Q. You arranged your leave of absence very quickly?—A. Yes, I had never asked anything from them, and I had no difficulty.

By Hon. Mr. Bostock:

Q. Who told you to go and see Mr. Rowatt?—A. Dr. Shillington. I think we went down together.

Q. He took you down to the office?—A. Yes, or I met him there.

Q. Was Mr. Rowatt present when you made the affidavit?—A. Yes.

By the Chairman:

Q. Did I understand you to say that Mr. Rowatt was present when you took that affidavit?—A. Well, it was in Mr. Rowatt's office—oh, no, he was not, now when I think of it—I went into Mr. Spence's room to take the affidavit.

Q. Mr. Rowatt was not present?—A. No, I guess he was not.

Q. You stated a moment ago that Mr. Rowatt was present?—A. I thought you meant in his office.

By Hon. Mr. Bostock:

Q. Did you draw up this affidavit?—A. No, I did not draw it up.

By Hon. Mr. Watson:

Q. Who did?—A. It was typewritten up in the department office.

By the Chairman:

Q. Did Mr. Spence draw it up?—A. I don't think so.

Q. Did he hand it to you to sign it?—A. He had them on his desk, prepared.

MONDAY, June 30, 1919.

CHARLES FREDERICK SPENCE, Assistant Controller, Mining Lands and Yukon Branch, Department of the Interior, appeared as a witness, and, having been duly sworn, testified as follows:—

By Hon. Mr. Bostock:

Q. Mr. Spence, your name appears at the foot of this affidavit made by George Harold Craig, I suppose as having sworn him?—A. Yes, that is correct.

Q. Did you draw up the affidavit?—A. I am not positive of that, Senator; I looked at the original and cannot see the initials of my stenographer or any other stenographer, but I think I did.

Q. Is it the usual thing for you to draw up those affidavits?—A. In a case of that kind, I might, yes.

Q. Did you see the printed form that is on this file?—A. Yes, I think I have a copy of it here, headed "Nationality of applicant for mining rights."

Q. Yes?—A. Yes.

Q. Why wasn't that used?—A. Mr. Rowatt brought Mr. Craig to my office, and explained that several applicants for coal mining rights at Edmonton had filed their applications, and that the rental of the first year was paid; that the mining recorder there had neglected to obtain declarations respecting the nationality of the applicant; and to expedite matters it was thought advisable to take the affidavit of Mr. Craig. Mr. Rowatt brought Mr. Craig to my room, and being the only one there having authority to take affidavits I think I did draw up that affidavit—I am not positive as to that—and administer the oath.

Q. Don't you think now that the affidavit is not nearly as strong as the printed one?—A. I do not see that, Senator. It is not necessary for them all to be British subjects; they may be subjects of neutral or allied countries under the regulations.

Q. But of course, Mr. Craig swearing to that, how could he know that these men had not changed their nationality?—A. Well, it is for him; if he is prepared to take the declaration, that is all I was concerned about.

By the Chairman:

Q. Isn't it the law that the man who stakes property should make the affidavit, not some one else for him?—A. It is.

Q. How could Craig take an affidavit for some one else?—A. But the regulations governing this thing have a clause in them, that the rights shall not be granted or allowed to any person who is not at the commencement of the present war and who has not since continued to be a British subject or the subject of a country which is an ally, and establishes the same to the satisfaction of the Minister of the Interior.

By Hon. Mr. Barnard:

Q. That is the regulation?—A. That is the regulation at the back of the form. We use that for companies acquiring mining rights. It is the same regulation under which that affidavit Senator Bostock referred to was drawn.

By the Chairman:

Q. Do you know whether this affidavit was laid before the Minister of the Interior?—A. I don't know whether it was or not.

By Hon. Mr. McLennan:

Q. That is not on this form?—A. No, it is on a form which relates to companies, but the regulations on which that affidavit was authorized are regulations relating to companies only. It is not printed on that form.

By Hon. Mr. Bostock:

Q. You had no responsibility. You accepted Mr. Rowatt's statement?—A. That was it entirely.

Q. You do not consider that you are responsible for taking that affidavit in that form?—A. No.

By Hon. Mr. Watson:

Q. Did Mr. Rowatt see that affidavit?—A. I suppose he did. I don't remember; I think I took it into his office immediately after.

Q. You said that Mr. Rowatt and Mr. Craig came into your office?—A. Yes, he was brought in there by Mr. Rowatt.

Q. And Mr. Craig says that Mr. Rowatt did not see the affidavit signed. You say you prepared the affidavit after they were brought in?—A. I think I prepared the affidavit.

Q. Mr. Craig says Mr. Rowatt was not present when it was signed?—A. No.

By the Chairman:

Q. Mr. Rowatt says he did not prepare it?—A. I am not positive whether—

By Hon. Mr. Watson:

Q. Craig said you had forms in your office?—A. Craig said I had forms in my office, but he is incorrect. The forms he referred to were these printed forms which could not be used in this case.

By Hon. Mr. Bostock:

Q. Do you think it is satisfactory to take an affidavit in that form? Should it not have been taken from the applicant?—A. Of course it should have been taken from the applicant; but when a responsible man would make an affidavit I think it should be accepted in view of the fact that the people had paid a large sum of money to take these leases. Their money starts to earn interest at once, and we should issue the leases as soon as possible. It would take a long time to write out and get those men together, and would mean a delay of perhaps three or four months.

By the Chairman:

Q. As an officer of the Department, it is your view that you can forego taking this affidavit?—A. If a responsible person appears and says these men are not subjects of alien countries.

By Hon. Mr. Watson:

Q. Have you any knowledge why those claims were available for entry?—A. No.

Q. Did you know they were cancelled?—A. Oh, I knew they had been cancelled, yes; but the circumstances I was not familiar with.

Q. Did it strike you as a hurry up order? No time being lost?—A. It struck me that there were reasons for it that were not apparent to me.

By Hon. Mr. McLennan:

Q. We were told that there is a general clause in the Mining Act, or whatever it is, that an outsider should not suffer through any fault on the part of the Department.

Can you refer us to that section?—A. There is a section in the Quartz Mining Regulations that governs that.

By Hon. Mr. Bostock:

Q. Those are the regulations of your Department?—A. I happen to have those here.

By the Chairman:

Q. Does that govern coal leases?—A. No. It is section 63 of the Quartz Mining Regulations.

Q. Does that apply to coal mines?—A. No, but that is the practice we usually follow; that clause does not appear in the coal regulations. We follow that clause in the administration of all our mining matters. If there is any delay occasioned by any Government official, we try to rectify it as quickly as possible.

By Hon. Mr. Michener:

Q. Would you consider this was occasioned by the official or the applicants?—A. I think the official was responsible. The Mining Recorder had distinct instructions not to accept an application unless he had evidence that the applicant was a subject of a British or allied country.

By Hon. Mr. McLennan:

Q. But the applicant would be bound to comply?—A. If the agent of Dominion Lands had asked for it.

Q. Whether he had or not, that would be one of the conditions that you had to prove—this question of citizenship—in making an application, to make it regularly. Apparently your man in Edmonton overlooked requiring that?—A. He neglected to get that.

By the Chairman:

Q. The man whom he neglected to get it from also neglected to give it. Was it not up to them to prove their citizenship under the Mining Act?—A. Well they may not have known.

Q. I am asking is not that the law?—A. It is the law; they should have produced them; but it is the Mining Recorder's duty to insist upon them.

Q. Is it not the duty of the man who signed that affidavit to make?—A. Oh, yes.

By Hon. Mr. Watson:

Q. Craig should have known what was necessary?—A. I daresay he should, if he was in the business.

By Hon. Mr. McLennan:

Q. This was not the application of a prospector who was out on his own; it was an organized expedition, assisted by legal talent; and as it turns out, an employee of the Department, and accompanied by a high official of the Department who had great knowledge. It does not seem to be a case off hand where the thing should be strained.

Hon. Mr. WATSON: A good plan badly executed.

MONDAY, June 30, 1919.

Roy A. Gibson was called as a witness, and having been duly sworn testified as follows:—

By the Clerk of the Committee:

Q. You are Chief Clerk in the office of the Deputy Minister of the Department of the Interior?—A. Yes.

By the Chairman:

Q. Do you know George H. Craig?—A. I do.

Q. What Department is he in?—A. Department of the Interior, Topographical Surveys Branch.

Q. Do you remember when he got leave of absence to go to Edmonton?—A. I have a memorandum of what leave Mr. Craig has been granted during the last year to January, 1918, and for the last four months.

Q. He said he went up the end of July?—A. I notice by the memorandum that was handed me that he was absent without pay for the whole month of August.

Q. Is there any memorandum there as to when he left?—A. He was not absent a day in July either on account of illness or on account of holiday leave, so that he must have left some time in August, because I notice he was absent the whole month of August. I see he had four holidays in September, but I do not know what days they were. Unfortunately for our record in regard to those holidays, we changed our system during the last year; we used to keep all those records in the Ordnance Lands Branch, and we changed them over to our Accountant's office, and it is extremely hard to get all those things on the file, and I could not find out; I wanted to find out—

By Hon. Mr. Casgrain:

Q. What did you cut off his pay for?—A. Well, he must have said he was going to engage in some private business, or something like that; that is the only reason we cut off a man's pay.

By Hon. Mr. Tessier:

Q. Is he on the permanent staff?—A. No, he is a war substitute.

By the Chairman:

Q. If he made application for leave, to whom would the application be made?—A. There were three people at that time that he could have made application to—to the Deputy Minister, to the Assistant Deputy, who is now dead, or to myself. In all probability he would have made application to me, because it is extremely difficult for the deputy minister to see everybody on those minor matters, and we find it saves a great deal of time if they come in and explain what they want, and then we make some sort of a note of it, or go in and speak to the deputy sometimes when he is disengaged, and then the Deputy or Assistant Deputy approves the application formally when it comes down.

Q. Can you grant leave of absence to any officers?—A. I could not at that time, because the Assistant Deputy was alive.

Q. Did the Assistant Deputy approve of that?—A. I don't know whether he approved it, or the deputy. I looked through this man's file to-day, but could not find any leave of absence application on the file.

Q. Do you know whether he made application or not personally?—A. Well, I will tell you what he would do, in all probability—I must confess I am somewhat hazy about the actual application, for it is quite a while ago—but he would in all probability have come down and asked if there would be any objection to him filing an application for leave. Then all applications in our department have to be recommended by the branch.

By Hon. Mr. Casgrain:

Q. They are in writing?—A. Yes.

Q. Why cannot we have the writing?—A. That is what I was trying to find.

Q. And there is none?—A. No, but it is quite likely that the leave of absence might be granted without pay. He is a temporary clerk, and they are not very well paid.

By the Chairman:

Q. Did you know at the time where he was going or what he was going for?—A. Oh no, we were granting a lot of leaves of absence at that time to go out on the farms. He would say, "private business," that is all he would have to say. We never ask.

Q. Has there been anything in connection with these coal locations come before you at all?—A. No, it would not come before me.

By Hon. Mr. McLennan:

Q. You have no recollection of the incident?—A. No, I have a faint recollection of Craig speaking to me about leave; I don't recollect all the circumstances; it was some time ago; but, as I say, if he had come to me and said that he wanted leave of absence without pay to engage in private business for less than a month it would have been customary to grant that application.

Q. He was over a month; he said himself five weeks, and according to your memorandum it would run close to that—a full month and four days?—A. Well, you see, he took the four days on holiday leave, so that would make it just a month on regular leave.

Q. He had permission for a month, and then had the other days fall on his holidays?—A. Yes.

By the Chairman:

Q. I notice by the memorandum that he is having a great deal of leave?—A. No, he is not; he has seventeen days holiday, and every man is entitled to eighteen in the year. He had nine and a half days sick leave during the year; that is not a great deal for a civil servant.

By Hon. Mr. Casgrain:

Q. Where is Mr. Craig now?—A. I think he was here to-day.

Q. Did you know Mr. Robins in the department?—A. Yes, he was assistant private secretary to the Minister.

Q. Was he in the employ of the department in July and August?—A. I cannot say, I do not know whether he was or not.

Q. Do you remember him going on a trip to Edmonton in July or August at the same time that this man Craig went?—A. No, I don't recall that he did or not.

Q. Then you don't know that the business of the department would take him?—A. No. You understand, we keep track of everybody in the department but the minister's office; that is not considered to be in the department in that sense, it is the minister's own.

By the Chairman:

Q. Who would be able to tell us what his mission was, if he had any departmental mission west?—A. That I could not say. You see, the management of the private secretary's office is entirely outside the purview of the deputy minister.

Q. I suppose the private secretary would know?—A. I don't know.

Q. He claims to be the private secretary himself?—A. You understand that is outside the deputy minister's purview.

Q. I thought that you, in the deputy minister's department, would know of his absence?—A. No; we go in and deal with each other, but do not keep track of the movements of the minister's staff.

By Hon. Mr. White:

Q. You are sure that Mr. Craig was there in July?—A. That is what the statement shows, and this is made up, I may say, from the attendance book, so this must be correct. There was no holiday leave of any kind granted to Craig in July, according to this statement, therefore he must have signed the book every day in July.

By Hon. Mr. McLennan:

Q. Then the earliest time he could leave would be the last day of July?—A. I should think so.

By Hon. Mr. Tessier:

Q. You have the book in the department?—A. Yes, and this is taken right from it.

MONDAY, 30th July, 1919.

SAMUEL MCCALLUM GENEST appeared as a witness, and having been duly sworn testified as follows:—

By the Clerk of the Committee:

Q. What is your occupation?—A. Chief Draughtsman of the Mining Lands and Yukon Branch of the Department of the Interior.

By the Chairman:

Q. I presume you know about these coal claims that are held by Isenberg, represented by Dr. Hoppe?—A. Yes, they are known by the name of Dr. Hoppe, *et al.*

Q. Did you make a plan for anybody outside of the department regarding those claims?—A. Not that I am aware of.

Q. Did you ever make a plan for Dr. Shillington?—A. No, plans made were in the department and placed on the files.

Q. Did you make any of those plans?—A. Yes, they were made by me or my clerks, my assistants.

Q. And these others that are here?—A. Those were made by the applicants.

By Hon. Mr. Tessier:

Q. Are these copies of the official plans?—A. They are copies of the plans that accompanied the application for a location stake. They were not made by us.

Q. Are they copies of your own plans?—A. Oh, no, they are different.

By Hon. Mr. Watson:

Q. Where did you get the notes for making the plan that you said you made?—A. This, you see, was made because the first staking Dr. Hoppe was staking on the ground, and they wanted to have their leases described by the Dominion Lands Surveys, and I understand Dr. Hoppe got a surveyor to select whatever they wanted by sections and legal subdivisions under the Dominion Lands Surveys. Well, I had to fit it by legal subdivisions as close as I could in order to cover the original staking, and they were prepared by us so as to give the description which would give him the land in accordance with the Dominion Lands Surveys.

Q. Of course you were never on the ground?—A. Oh, no.

Q. You made plans from the applicant's notes?—A. Yes.

By the Chairman:

Q. I suppose you knew Dr. Shillington very well?—A. Well, yes, I knew him.

Q. He was in and out of the office occasionally?—A. No, not in my office for the last ten years that I know of.

Q. Has any body got any information regarding these coal lands out of your office?—A. No.

Q. You would be the only one who could furnish anything in the way of a map? —A. Oh no, there are other people who could furnish maps.

Q. And did you make that map, or do you know anything about it?—A. No; this is one of the maps that accompanied the applications.

Q. This other map was made by you, was it? (Referring to map with the name "A. T. Shillington" in the corner, and dated October 28, 1918.)—A. Yes, that is made by us in the office; that is the plan that we prepared. This is the plan that was filed with the application, and that is the one that accompanies the description. That is the illustration of the description, prepared by me.

Hon. Mr. BEIQUE: Will you mark it for identification?

The CHAIRMAN: A. T. Shillington's name is on the corner of the map.

Mr. GENEST: That might be so, because when the lease is sent to Dr. Shillington two copies of the plan are attached to it, and very often when we send descriptions with blue-prints attached to it sometimes we get back the lease and the two prints have disappeared. The man keeps them and we are obliged to prepare others.

By the Chairman:

Q. Mr. Genest, Mr. Craig to-day told us that when he went west to locate those claims—you know Mr. Craig, I presume?—A. I do not think I do.

Q. He is in the Topographical Survey?—A. Well, I do not recollect.

Q. That he had a map furnished to him by Dr. Shillington showing those claims, showing the country there. Did that map come out of your department?—A. Unless I saw the plan I could not tell. I did not give Dr. Shillington personally, from the office, any plan or any information whatsoever. In fact he never spoke to me about leases.

Q. Do you know if you made any plans about that time of these special coal claims of Isenberg's for anybody—the minister or anybody else?—A. No.

Q. You don't remember making any?—A. No, because when any blue-prints of a plan like that are asked, generally they are asked by somebody that has got authority and the request is on the file. They come to my office and when the plan is asked for, I attach the plans made on the file, and I send it to whoever has made the request for them, and after that I know nothing about it.

Q. Would you furnish a plan or blue-print to any person excepting a superior officer?—A. Well, some blue-prints, do you see, the public have the right to have, and when they ask for it we charge them for it. We have a fee; I think it is five cents a square inch.

Q. But would the public be entitled to a blue-print for that property?—A. Not for this.

By Hon. Mr. Watson:

Q. Do you know Mr. Robins?—A. I met Mr. Robins a few years ago. I spoke to him twice I think.

Q. Do you know if he ever made an application for blue-prints?—A. I do not remember.

Q. For that property? You would not say he did not?—A. Well, if he did not—I would not say he did not; if he did he would have to do it in an official way, because if anybody came and asked for a blue-print of this sort I would not deliver it to the

person myself; I would give it to somebody in authority that would hand it to this man.

Q. Well, Mr. Robins being the secretary of the minister, if he asked for a blueprint I suppose you would give it to him?—A. Yes, we would give it to him. In fact I suppose he would use the minister's name if he asked for anything like that.

Q. You would give the minister's private secretary anything you would give the minister himself?—A. Surely.

By the Chairman:

Q. You do not know whether you gave Mr. Robins one or not?—A. I do not know. I am not so sure about it because if I thought for a moment he was not entitled to it I would refer him to the chief of the branch.

By Hon. Mr. Watson:

Q. But you say he would be entitled to it?—A. He would be entitled to it, yes, but it would go through the chief of the branch. I would not send it direct to Mr. Robins.

By the Chairman:

Q. So if Mr. Robins had secured a plan it would have gone through your chief before he would get it?—A. Well, I don't know about that. You see, there is a whole lot of files. I could not say that. There is, you see, a whole lot of plans. Well, if the file went to the minister or anybody like that, it is easy enough to take a duplicate from the file. I would not be prepared to swear anything to the contrary, although I do not think Mr. Robins would do that, so far as I know.

By Hon. Mr. Barnard:

Q. How often have you had communication of any kind with Mr. Robins?—A. Never. When I spoke to him it was, I think, two or three times. I do not know Mr. Robins very well. Some place I might greet him on the street: "How are you? Glad to see you."

Q. Did he ever ask you at any time for a plan of any kind?—A. No, never did.

By the Chairman:

Q. Did I understand you correctly to say that you did not know whether he had ordered a blueprint for the minister?—A. Well, I do not recollect.

Q. I see.—A. I do not know. There are many blueprints that are made.

By Hon. Mr. Watson:

Q. Excuse me. You are answering positively that he did not?—A. Well, I do not know. The fact is, I could say he did not, because I do not remember he did.

By the Chairman:

Q. But if he called you over the telephone, Mr. Genest?—A. He never did.

Q. If he wrote to you or came to see you and asked you for a blueprint—he might say it was for the minister—would you have given it to him?—A. Well, I think I would give a memorandum—I would write a memorandum on the file and I would send it officially. I do not think I would hand it to him like that.

Q. However, you do not remember handing anything?—A. No, I am pretty sure I never handed Mr. Robins anything, because I never came in contact with him.

The CHAIRMAN: Is there anything else now, gentlemen?

By the Chairman:

Q. Do you know anything at all, Mr. Genest, regarding these coal claims since the cancellation took place, except what you have told us?—A. Well, what I do know is that I prepared the description for the leases and of course with the description is attached the plan that illustrates, do you see, the position of the claim. When I have done that I report whether the application is made in accordance with the regulations, and if it is made in accordance with the regulations I generally state, if I am sure of my ground, that our point is right, that the following description may be inserted in the lease to be issued to Mr. So-and-so, if the department so decides; and if there might be any doubt about the right location of the land so leased I put a proviso that before the lease is issued it should be referred to the applicant so that he will verify the description and see if it is in accordance with his staking, you see, so that when the lease is issued he cannot come back on the department and say we have made a mistake, because he accepts it as described. It is for the protection of the public as well as our own.

By Hon. Mr. McLennan:

Q. What you say is that it is regarding the description of the land that you pass on the lease?—A. Yes, sir.

Q. You receive an application with certain descriptions?—A. Yes.

Q. And then you see if those are right, and plot them and make them out?—A. Well, do you see, Senator, when a common prospector goes and stakes a piece of land on the ground, he has not got the education to give the right phraseology or describe it properly. What is important in the application is that he has staked on such and such a date; that there is so many feet between post No. 1 and post No. 2; the compass bearing of it, and so many feet on each side. Well, sometimes he might tie it to the mouth of a river, for instance, that comes to another, both of which are unsurveyed. That is very indefinite for us, because we are not sure of our ground, even in the department. So in a case of this sort I prepare a plan showing those rivers as near as we know that they would be, without proper data, and to be assured that this application won't come back on the department we send him a copy of the description with a plan and ask him to verify the correctness of it. If it meets his description of what he stakes, and if he signs the lease in accordance with these conditions, then he is responsible for it and he cannot come back on us, and both are protected—the applicant, the lessee, and ourselves.

By Hon. Mr. Watson:

Q. You have done that with the plans provided?—A. No, because in this case the point was pretty sure—the location.

Q. You say no to what? I did not ask the question?—A. I understood you asked me if I said I would do that in the case of Dr. Shillington.

Q. Did you do it in the case of Hoppe's claim?—A. No; I do not think I did, because, if I remember—

Q. I thought that was the plan you made, there, for Hoppe?—A. Oh, no; this is the second plan that I made.

Q. The other one?—A. I did not make that one for Hoppe. He filed it with his own.

Q. I thought you said you made that plan off his field notes?—A. Ah, but that is not from his field notes. He got a survey made of his staking, filed by metes and bounds, and later on he came, and so that there would be no doubt about his lease, he got somebody to locate on the ground, by Dominion land system of surveys.

Q. You made that map?—A. We made that map in the office.

Q. Did you submit that to Hoppe for correction?—A. Yes, he got a copy of it.

Q. He was satisfied, was he?—A. He was satisfied.

Q. Why did you not do that with the second application?—A. With the Shillington application? Because it took a special Order in Council to do this for Hoppe, and with the second application it was provided by the regulations, we had not to do that. I could give him the lease in metes and bounds.

Q. The knowledge of that first map would assist you in the second application, the application of Shillington?—A. I did not refer to that at all. Simply, on the general map I noted that it was practically the same ground that was covered by the Hoppe leases and I made a report to that effect, that they were formerly held by Dr. Hoppe *et al.* It was the same ground.

Q. It is practically the same leases?—A. Well, not altogether, but it covers part of the ground.

Q. What is the difference between the two?—A. Well, I do not know. I will have to look at the area. It depends on the area. I think Hoppe must have had 30,000 acres and I do not think there is more than eighteen or twenty thousand acres.

Hon. Mr. McLENNAN: The Hoppe leases were eighteen thousand and some hundreds.

Hon. Mr. WATSON: Eighteen thousand, eight hundred and something.

Mr. GENEST: It comes to the same thing.

By the Chairman:

- Q. I suppose it cover practically the same lines, does it not?—A. Practically so.
- Q. From post to post practically the same?—A. It is not staked in the same way.
- Q. It is not staked in the same way?—A. No, the stakes are not the same.
- Q. But it is over the old line?—A. I suppose so.

By Hon. Mr. Watson:

Q. Is there any material difference in the staking?—A. Oh, yes, they did not stake it the same way. They got a different base line on their staking.

Q. Does that make any difference to the claims?—A. Oh, no, that would not make any difference. The main point is to locate this point between post No. 1 and post No. 2. They might have staked at the centre instead of at the side.

Q. Hoppe might have started from post No. 1 and these men from post No. 2, practically the same survey?—A. The same land, but not the same staking.

Q. But reversing the end they started from?—A. Then it would not be the same location as between post No. 1 and post No. 2 of Hoppe.

By Hon. Mr. White:

Q. You think, even if they had Hoppe's plan, they did not stake it on that plan? It would not be of any use to them?—A. I hardly think so, because the staking would have to be new.

By Hon. Mr. McLennan:

Q. You said they did the staking where they found the old stakes?—A. You see, they may make that statement, but I do not see they could prove it, because it is unsurveyed territory and if I were to take two plans they might not agree.

By Hon. Mr. Watson:

Q. Would you call it unsurveyed territory after Hoppe made the survey?—A. Well, it is not recognized as Dominion land system of surveys until the Surveyor General has approved of the survey.

Q. If the survey was made three or four years ago and the stakes were left there?—A. It could not be accepted.

Q. Excuse me. Not accepted by you as a legal survey, but very convenient for a man locating a mine property to find the old stakes?—A. Well, I don't know whether

there would be old stakes there or not. They did not file plans, you see, with surveyor's notes or anything like that, and before a survey can be accepted by us, according to the regulations, it has got to be approved and confirmed by the Surveyor General as done. So they would be forced to stake it unless there was special authority received to do that.

By the Chairman:

Q. Is there anything more, gentlemen, you want from Mr. Genest?

By Hon. Mr. Blain:

Q. Do you know anything about the cancellation of the leases at all?—A. Well, I do in this way, that when it is decided to cancel the lease there is a memorandum on it. It is sent over to me to note the cancellation on our plans. That is all I would know about it.

Q. Did you know the lease was cancelled?—A. Oh, yes.

Q. And did you know anything about the application or the granting of the new leases?—A. Well, I did after the lease had been cancelled, because they came to me for a report and I reported that this land was formerly held by Dr. Hoppe, *et al.*

Q. Reported to whom?—A. On the file, to the one that does the correspondence —to the chief.

Q. Was there anything suspicious, in your opinion, surrounding either the cancellation or the new lease?—A. Oh, I tell you, for the last twenty years of my life I have been so busy looking at real facts that I never had any suspicions.

Q. That is a greater answer than I expected. I am trying to ask you to confine it a little?—A. Well, I don't think—

By Hon. Mr. Béique:

Q. You are sure of your ground?—A. Oh, yes, sure of my ground.

By Hon. Mr. Michener:

Q. I think you made a memorandum to Mr. Rowatt suggesting that as there were some improvements or developments on these leases, you called his attention to this fact, as to whether or not some consideration should be made as to the expenditure, by the new applicants—whether or not they should pay some of the improvements that had been made. You apparently had some knowledge of these improvements?—A. I do not remember making any memorandum to Mr. Rowatt to that effect.

Hon. Mr. McLENNAN: It was Mr. Metz who made that.

Hon. Mr. MICHENER: Was it Mr. Metz? Possibly I am mistaken as to the party.

The CHAIRMAN: It was Mr. Metz. I do not think it was Mr. Genest.

By the Chairman:

Q. Did you ever do that, Mr. Genest? Would that be part of your work, to point out the improvements that had been made on the property?—A. Well, no. It has not been the custom except since the war has started, do you see. We have been very careful not to cancel anything without looking to it, because the soldiers at the front were protected—their rights were protected. But before that time when a lease was cancelled we simply reportd the ground vacant.

By Hon. Mr. Watson:

Q. Could you tell if it is customary to dispose of property after cancellation as rapidly as this was disposed of?—A. I beg pardon?

Q. Is it customary for property to be located so soon after cancellation?—A. Oh, yes, we have got, for instance, on certain locations, fourteen or fifteen claims around

Amisk lake, and the next man comes and restakes it, they call it re-location, and we grant it to them.

Q. Do you know if any property was dealt with as quick as this?—A. I cannot recollect a particular case; that is, I never looked into it.

Q. Do you recollect any property being cancelled so soon after payments were due—only a few days?—A. Oh, I don't know. You know, I have been thirty-six years in the service and there are cases where it may have happened, but I would forget about it.

By the Chairman:

Q. I suppose that would hardly come before you?—A. Oh, yes, they do, because I have to cancel them on my plans and have to report on the new applications.

Q. In this case there was \$114,000 paid in rent?—A. Yes.

Q. And there was a large amount of money spent in exploratory work, call it developing or exploring—something about \$80,000, according to the evidence. Now, your department knew of that?

By Hon. Mr. Casgrain:

Q. Does the department know how much anybody spent on the claim?—A. I knew it, yes, I knew it was cancelled.

By the Chairman:

Q. You knew this amount of money had been paid in rentals?—A. Yes.

Q. Do you know of any case where there was ever such a large amount of money paid in rentals and exploratory work?—A. Oh, yes.

Q. Wait a moment please—where the claims were cancelled immediately after it became due, one month or thirty days after?—A. So far as I recollect, taking the time of the Yukon rush, there was a considerable lot of dredging leases let at \$100 a mile. I think that the cancellations came very quickly when they did not comply with the regulations.

Q. Where they did not comply with the regulations?—A. Where they lacked to pay the rental.

Q. I am speaking now of coal leases?—A. I don't recollect any; there may have been; I don't recollect any. Of course, this was a matter of policy—

By Hon. Mr. Watson:

Q. We know that?—A.—which I could not interfere with. But I cannot recollect.

MONEY; June ^ 1919.

GEORGE HAROLD CRAIG was recalled and testified as follows:—

By the Chairman:

Q. What was it you were to get for us?—A. You wanted to get some dates about when I left Ottawa.

Q. Can you give us those dates?—A. I went to the Department and found out that my leave was from August 1st to September 12, about six weeks—and I came back before the leave was up, a few days, I don't know just—

By Hon. Mr. McLennan:

Q. So you promptly left on the night of the last of July?—A. No, I think I left on the night of the 1st of August. I went straight through from Ottawa to Edmonton

and I got in Edmonton—I have to figure this up from last year's calendar—I got in Edmonton on August 5.

By the Chairman:

Q. You and Robins left here the same night?—A. The same night.

Q. Was Robins on leave at that time do you know?—A. Oh, I don't know at all. I don't know whether he was or not.

Q. You told us to-day, perhaps you made a mistake, or perhaps I made a mistake or misunderstood you, that you and Robins, although you have been friends for a good many years, I understand?—A. Yes.

Q.—that you never discussed this coal area on the road going out to Edmonton?—A. No, we did not.

By Hon. Mr. Michener:

Q. Mr. Craig, do you remember meeting Mr. Norquay in the Macdonald Hotel when you came in off the train after breakfast?—A. No.

Q. You don't remember Mr. Norquay calling for Mr. Robins and yourself and going up to your room in the hotel for a conference?—A. Mr. Norquay was never in my room that I know of.

Q. Did you have a separate room from Mr. Robins?—A. Yes.

Q. Each had a separate room?—A. Yes.

Q. And you swear that you were not with Mr. Robins and Mr. Norquay in the room in the Macdonald Hotel?—A. No, I was not.

Col. THOMPSON: Is that in Edmonton?

Hon. Mr. MICHEENER: Yes. The first morning you landed in Edmonton. We will have to get Mr. Robins again. I may be wrongly informed.

By Hon. Mr. Watson:

Q. Are you and Robins particular friends?—A. We have been friends for years.

Q. Did you see him frequently in Ottawa?—A. Oh, yes; not the last year.

Q. Previously to this coal transaction?—A. Yes.

Q. Frequently up in his office?—A. Yes, I worked in the Langevin Block and often came down to his office.

Q. Did you ever discuss this coal lease with Robins in the Langevin Block?—A. No, I don't think I ever did mention it in the Langevin Block.

Q. Where did you discuss it with him?—A. I never discussed it with Robins until I was back here.

By the Chairman:

Q. He didn't know what you were doing in Edmonton?—A. I don't think so. I was a little suspicious of pretty nearly everybody I met. I have known Mr. Blair for I guess ten or eleven years, and I have discussed a great many things with him that I would not discuss with other people; but I was a little suspicious about giving any information about this business—it was not my own money that was being spent.

Q. When you were in the Langevin Block were you connected with the minister's office?—A. Oh, no, I was in connection with the Registration Branch.

Q. Not in the minister's office?—A. Oh, no; I am only temporary.

By Hon. Mr. Watson:

Q. Are the mining claims registered in that branch?—A. Oh, no, just quarter sections, homesteads and pre-emptions and that sort of thing. Not in connection with any mining work at all.

By Hon. Mr. Michener:

Q. You saw Mr. Norquay in Edmonton, I suppose?—A. Yes.

Q. Where did you see him?—A. In the Recording Office.

Q. You did not see him any other time?—A. I do not remember seeing Mr. Norquay anywhere outside the registry office.

Q. Wasn't he with you at the picture show that evening?—A. No.

Hon. Mr. BARNARD: Who is Mr. Norquay?

Hon. Mr. MICHENER: He is the Dominion Land Agent.

Hon. Mr. McLENNAN: But not the Mining Registrar.

Hon. Mr. MICHENER: The Mining Recorder.

The WITNESS: I saw him when we were in the office, and Mr. Royal took some of the applications; and the next time I went back Mr. Norquay took the last three or four.

Q. But wasn't Mr. Norquay on his holidays, as a matter of fact, when you were there?—A. I don't know.

Q. You don't remember meeting him the morning you arrived at the hotel?—A. No, I don't.

Q. You are sure the only time you saw him was in the Recording Office?—A. Yes.

By the Chairman:

Q. Were you in the office at all before you went out to locate these claims?—A. No, I didn't go to the Recording Office at all; I had nothing to do there.

Q. So you didn't see notice of cancellation or anything else up there?—A. No.

Q. Mr. Craig, you have a memorandum of dates?—A. This is when I left Ottawa and went to Edmonton.

By Hon. Mr. Watson:

Q. You might let us have that since you have the figures?—A. I left here, I think it was August 1, because I landed in Edmonton the morning of August 5.

Q. That would be midnight of August 1?—A. Yes. Then I left Edmonton to go to the Smoky river, I think, on the 9th.

Q. You are just making a calculation as to the time table?—A. As to the time table?

Q. The time it would take you to go to Edmonton?—A. Yes. But you see, my leave was dated from August 1.

By Mr. McLennan:

Q. You could have left the night before if you had been in a hurry?—A. Oh, yes.

Q. That is after office hours on the 31st?—A. Yes, I could have gone then.

By Hon. Mr. Watson:

Q. But you left on the morning of the 2nd?—A. 12.40 or 12.50.

By the Chairman:

Q. You have your book with the date when you paid this money?—A. I cannot find my vouchers. There wasn't much money paid out in Edmonton except the grocery bills.

Q. Just give the dates as you have them?—A. I left there on I think it was Friday the 9th August to go up to the Smoky river, and I returned to Edmonton, I think about the 28th—that is figuring from the amount of money I paid the men. I paid, I think, six of them \$100.

Q. You paid them \$5 a day?—A. Five dollars a day, and I figure it was about twenty days I was on the trip.

By Hon. Mr. Watson:

Q. You returned to Edmonton from the Smoky river, you think, on the 28th?—A. I think on the 28th of August.

By the Chairman:

Q. About a twenty-day trip?—A. About a twenty-day trip, yes. Then I came to Ottawa and stayed off—I got into Winnipeg on Sunday morning, and visited with my brother-in-law Sunday, and left Monday morning for home.

By the Chairman:

Q. You told us you took \$1,500 away with you?—A. Yes.

Q. And had to draw for \$500 and some odd more?—A. Yes.

Q. You had eight men?—A. Yes, I had eight men and my packer.

Q. You had two packers?—A. One packer.

Q. You paid them \$5 a day?

By Hon. Mr. Watson:

Q. And their expenses?—A. Oh, yes, I fed them.

By the Chairman:

Q. You paid them about \$100 a piece; that would be eight or nine hundred dollars?—A. That would be \$800 and the packer.

By Hon. Mr. Casgrain:

Q. You had to feed them, didn't you?—A. Yes.

By the Chairman:

Q. That would be \$900 because you had a packer?—A. Yes.

Q. How much did it cost you to feed these men?—A. I think my grocery bill at Morris's was about \$125 or \$130.

Q. That would be \$1,035?—A. Oh, no, it was not that much; I think I can give you a little closer than that. I think I paid Alan Austin about \$120, and Weir \$130, and the other six fellows \$100 a piece; that would be about \$850; then \$125 for the grocery bill at Edmonton, and then my dishes—I think it was \$12 or \$15 I paid for that outfit.

Q. And your railway fare?—A. The railway fares I got. There was nine railway fares at I think about \$12 or \$11.

Q. Say \$100?—A. Yes, say \$100. Then there was a meal on the train going out—\$10.

Q. What does that make altogether now?

Hon. Mr. BEIQUE: About \$1,100.

By the Chairman:

Q. You had \$1,500 and drew on Dr. Shillington?—A. I had \$250 for myself.

Q. Who did you pay the balance to?—A. I paid the packer about \$275.

Q. In addition to that?—A. Oh, yes, the packer did not stake any claim.

By Col. Thompson:

Q. You spoke of six men; I thought you said you took eight?—A. I mentioned that I paid Alan Austin and Weir separately, because they went ahead of me and the six other men.

Q. You accounted for those two?—A. Yes, I got \$250 for myself.

By the Chairman:

Q. Did you pay anybody also any money?—A. Oh, I paid quite a lot to the telegraph company for trying to get me connection with Entrance, get me a pack outfit. I forget what I paid them. There was one fellow who went to quite a lot of bother he didn't have to at all, and I gave him a box of cigars.

Q. Oh, that is nothing?—A. It is \$5. It counts.

Q. Was there anybody else you paid any amount of money to?—A. I paid the Edmonton Tent and Mattress Company, I think, \$15.

By Hon. Mr. Casgrain:

Q. Did you have a tent?—A. Two tents.

Q. Did you hire the tents, or buy them?—A. Just hired them.

By the Chairman:

Q. Did anybody in the registration office get anything from you?—A. Only the recording fee.

Q. What was that?—A. I think it was \$5 a claim.

Q. You did not pay Mr. Abbott any money?—A. No, I didn't pay him a dollar.

Q. He is the lawyer?—A. He is the lawyer, yes.

By Hon. Mr. McLennan:

Q. There is no probability that you will find that memorandum of the report to Dr. Shillington; the statement of expenses and the whole account of the trip?—A. Well, I can't understand—I nearly always keep a copy of those things. I don't generally pay much attention to it, but keep it in case something might arise. I think I could figure out every dollar I spent.

Q. You looked in the usual places?—A. Yes, I usually keep them in my attic—in my desk at home until they get ancient, then I move them upstairs.

Hon. Mr. CASGRAIN: That was not Government money, was it?

The CHAIRMAN: No.

Hon. Mr. CASGRAIN: What are we looking after it for?

The CHAIRMAN: There is an object.

Hon. Mr. CASGRAIN: Tell us what it is, and we will all be wise.

The CHAIRMAN: We want to know where it has gone. If it was paid out for the work it is quite legitimate; if it was paid the officers it is not.

The WITNESS: No officer ever got anything from me.

By the Chairman:

Q. You told us Dr. Shillington furnished you with a plan. Was it a blue print tracing, or what was it?—A. No, it was an ordinary homestead map.

By Hon. Mr. McLennan:

Q. Is that country surveyed?—A. No, but the rivers are well traced on it; the rivers give you a pretty good idea.

By Hon. Mr. Beique:

Q. You had no other map with you?—A. I got four or five maps from Mr. Lynch, in the Intelligence Branch, and I took along everything.

Q. What kind of maps?—A. A homestead map, and I think I had one of the sectional maps from the Intelligence Branch.

Q. But you had no blue prints at all?—A. No, I don't think I—no, I am sure I didn't.

Q. No blue prints of the staking?—A. No. The only blue print I had of the staking was the one I got made in Edmonton to record it.

By Hon. Mr. Barnard:

Q. You had no blue prints of Hoppe's staking?—A. No, I did not. I had a plan, just roughly drawn out, showing where it is, where originally staked.

By the Chairman:

Q. Where did you get that?—A. Dr. Shillington.

Q. Do you know where he got that?—A. No, I don't.

Q. You don't?—A. It was very easy to get information about this thing; there are any number of fellows around the country who know all about this thing. I got more information in Edmonton after I got back, when I was in Edmonton two days, than I got on the property.

Q. I don't doubt that at all?—A. The district is well known.

By Hon. Mr. Watson:

Q. You were assisting in locating the property by the maps you got from Dr. Shillington?—A. Yes, I got the location.

Q. You had no trouble locating the coal when you got there?—A. I don't know whether I located the coal or not, because I didn't see any to amount to much.

Hon. Mr. CASGRAIN: He could see the work that was done if they spent so much money.

By Hon. Mr. McLennan:

Q. You saw a tunnel?—A. Yes, but that tunnel is up—I would say it is 1,000 feet.

By the Chairman:

Q. You didn't go up?—A. No, I didn't.

Q. Never went into the tunnel at all?—A. I only saw the one place I might go into.

Q. If anybody said here that you had visited those tunnels and found them all fallen in what would you say to that?—A. Well, I didn't visit the tunnels; I visited the part where the packer told me the tunnels had been; but I could not see tunnels, only the one that was in the top of the hill.

By Hon. Mr. Watson:

Q. Tell us why you staked those lands if you did not see the coal?—A. I had instructions to stake them.

Q. From whom?—A. From Dr. Shillington.

Q. Where did you have instructions to stake them? Where you didn't see coal?—A. I had instructions to stake from where the Muskeg runs into the Smoky down east—or west of the Smoky river.

Q. You didn't see the coal?—A. No.

Q. You paid no attention to the coal?—A. I kept my eyes open, but didn't see it.

By Hon. Mr. McLennan:

Q. You told us this morning that the lower part was covered with debris from freshets?—A. Gravel.

Q. Closely packed in by water?—A. Yes.

Q. And saw on the hill?—A. Yes, the Indian up there told us that was a tunnel in the hill.

Q. But you could not tell at that distance whether it was in coal or not?—
A. We could see the black streak.

Q. And the hole in it?—A. Yes; and the only other place I saw indications of coal—I saw two other places up the gulch, just a very poor grade of coal mixed with dirt; and then on the Smoky—or on the Muskeg river there are black seems that I suppose if they were dug into the coal would become solid.

By the Chairman:

Q. But you did not see any of the coal that came out of the tunnels?—A. I picked up coal that came out of this wash-out.

Q. There were tunnels that ran into five hundred feet?—A. There could be thousands of tons of coal thrown out where that wash-out was and you would never see it.

By Hon. Mr. Watson:

Q. You felt you had performed your duties for your pay when you restaked the old Hoppe claim?—A. When I had restaked the land that they told me to stake, starting at the mouth of the Muskeg river and going up the Smoky.

By the Chairman:

Q. You were told to stake the Hoppe claims, were you not?—A. Yes.

By Hon. Mr. Watson:

Q. From the information and knowledge you have of the coal in that vicinity you could really have staked it as well at Edmonton by your map as you did on the ground?—A. No, I don't know.

Q. You did not see the coal?—A. No, I did not see the coal. Of course I could stake it if I had the map of the country; there would be no trouble about staking it from a good map if I had the measurements and everything; no, there would be no trouble.

By Hon. Mr. Barnard:

Q. You could not put the stakes in the ground?—A. Oh, yes, you have to put the stakes in the ground.

Q. You had to go on the ground to make the staking?—A. What he meant was that I could describe it as well in Edmonton? Yes, I could describe the staking of the claim right here as if I were at the recording office.

Q. If you had the map?—A. No, I don't need the map.

By the Chairman:

Q. You went right on to the claims and staked them?—A. Yes.

Q. Did you go around all those stakings yourself?—A. Yes, every one.

By Hon. Mr. Casgrain:

Q. Did you find any old stake?—A. Yes, at the mouth of the Muskeg we ran across a bunch of old stakes there, I think four or five, but they were so old that we couldn't make much of what was on them.

By the Chairman:

Q. How many miles of stakes were there?—A. There were about, I think, eight or nine miles down the river, and then the claim on the east side of the Smoky is about one and a quarter or one and a half miles.

Q. How long did you tell me you were on the claims?—A. I think we were there for about three days.

Q. That is a pretty good staking on an unsurveyed country?—A. I am a pretty good staker. I have been up there in Ontario, so that I know if you don't get fast you don't get anything.

By Hon. Mr. Barnard:

Q. Did you say you did not see any of those tunnels?—A. Only one that was up on the hill. We started and went over there early in the morning, and we walked all that day and worked hard, and the men were anxious to get back; they were getting pretty sick of the trip. Some of those places in there are pretty cold, and some of the fellows had not gone prepared for it, and we went over across the Smoky, which is a pretty bad river, and we stayed right on the job there with our lunch until we finished, and we were lying out that night without blankets, and all that kind of thing, and we were pretty tired and anxious to get back to camp and get out.

Q. Who was this man Gouin? Was he an engineer?—A. A mining engineer no.

Q. Was he a civil engineer?—A. No; I don't know just what you would call him; he has been all over that country running gasoline launches, and he is a general man around; I don't know just what you would call him.

By Hon. Mr. Watson:

Q. How many days did you pay your men there for?—A. Twenty days.

Q. Five days going in, and five coming out?—A. No, we were about nine days going in. We had awful weather, and we could not make the trail at all, and we had to send back for pack horses. Some fellows could not go.

Q. I thought you said five days?—A. No, we were five days coming out.

By Hon. Mr. McLennan:

Q. You worked all the time from the maps and descriptions of Dr. Shillington?—A. No, you don't look at those maps when you get on the ground.

By Hon. Mr. Watson:

Q. You were not looking at the coal?—A. No, but if you give me a tree out there and tell me to stake nine miles north, I don't care though I never see a map.

By Hon. Mr. Casgrain:

Q. Did you chain it?—A. Yes, you have got to measure the distance. I don't care if I never see a map once I get on the ground. Put a man that knows about the bush at the mouth of the creek and tell him what to do, and maps only confuse him.

By Hon. Mr. Watson:

Q. You have either to look at the map or instructions to put the stake in the proper place?—A. The map would show him.

By Hon. Mr. Beique:

Q. I suppose you have stated the date when you made your report?—A. Oh, yes. I didn't make a report on the property.

By Hon. Mr. Watson:

Q. You made a report to Shillington?—A. Yes, just financial—the money I had spent.

By Hon. Mr. Willoughby:

Q. A map was sent in with the application?—A. Oh, yes, you have to show a plan.

Q. Who prepared it?—A. I prepared it.

Q. Is it on file?—A. I don't know. Three blue-prints; I got them made at the Edmonton Blue-Printing Co., or Map Company, or something like that.

By Hon. Mr. Watson:

Q. Were they made from your map?—A. They were made from my statement.

Q. Is this your map?—A. That is my map. (Indicating one map made in feet and one map made in chains).

By the Chairman:

Q. Are those the plans that you filed?—A. Yes.

Q. Are they signed by you?—A. No.

Q. Did you make them?—A. No; I had the drawing of those plans, then I got it traced by the draughtsman and put in proper shape—I couldn't draw a thing like that—and then I had it blue-printed by this concern in Edmonton. (Blue-print is attached to declaration of W. R. Gouin).

Q. I suppose draughtsman corrected the lines?—A. No, there wasn't any correction of lines on the thing, much; the only thing was to make a presentable looking thing for the recorder.

TUESDAY, July 1, 1919.

J. G. MITCHELL, Private Secretary of the Minister of the Interior, appeared as a witness, and, having been duly sworn, testified as follows:—

By the Chairman:

Q. Mr. Mitchell, do you know Mr. Robins?—A. I do.

Q. Is he an assistant of yours?—A. He was.

Q. Until what date?—A. Oh, about three months ago.

By Hon. Mr. Ross:

Q. From what time?—A. From either the latter part of 1912 or the early part of 1913.

By the Chairman:

Q. Three months ago would bring you up to what?—A. I think it was about March.

By Hon. Mr. Bostock:

Q. Are you sure it was not May? I think Mr. Robins suggested May?—A. He is allowed two months' gratuity, which would mean that his resignation would date in May, but he left the office some time in March.

Q. But he was not there all the time from 1913 to that time?—A. He had military leave for some time.

Q. You cannot fix that time?—A. It is not fixed in my mind, no.

By Hon. Mr. Watson:

Q. Could you fix about the time, the month or the year?—A. Well, he was—

Q. How long was he away?—A. About a year.

Q. He returned when?—A. He returned a little over a year ago.

Q. He was in the employ of the Government and supposed to be on duty in July and August of 1918?—A. Oh, yes, he was in the office at that time.

Q. Do you know of him being absent in July or August of 1918?—A. He was.

Q. On leave?—A. No, on holidays.

Q. When a man takes his holidays does he get permission from the minister?—

A. He would get permission from myself.

Q. Did you give him permission about that time?—A. I did.

Q. About what time?—A. In August.

Q. About the first of August?—A. Yes, early in August.

Q. Do you know where he went?—A. No.

By Hon. W. B. Ross:

Q. Is that the usual time that he took his annual holidays?—A. In a minister's office there is no definite time for holidays. The holidays are taken when it is most convenient for the minister.

Q. I understand that the private secretaries are not part of the Civil Service so far as their entering their names in the attendance book?—A. No book of record is kept in the minister's office in respect of the staff.

Q. And the private secretaries come and go as they like, or as the minister gives them leave?—A. As the ministers wish.

Q. And the assistant would get leave from you without reference to the minister?—A. The private secretary of the minister is responsible for the office.

By Hon. Mr. Watson:

Q. Practically all the staff is under the private secretary?—A. Yes.

By the Chairman:

Q. Is it not a fact that Robins was also a private secretary to the minister?—A. Mr. Robins was appointed originally a private secretary in the office of the Superintendent General of Indian Affairs. Under the Civil Service Act the Minister of Interior, who is also Superintendent General of Indian Affairs, has the privilege of appointing two private secretaries. But the private secretary of the Superintendent General of Indian Affairs acts as assistant to the private secretary of the Minister of Interior.

Q. As private secretary of Indian Affairs would he not require to ask the Minister's leave of absence to go away?—A. No, it is not customary in our office.

By Hon. Mr. Bostock:

Q. Have you any knowledge of Robins asking the officials of the Department for memoranda about the matter?—A. About any matter?

Q. About any matter was it customary for him to do so?—A. Sometimes I have and sometimes I have not.

By the Chairman:

Q. Has he the same authority that you have in asking for these memoranda from the different heads of the different departments?—A. Any officer in my office is at liberty to approach the head of a branch if any information is required for head office.

By Hon. Mr. Bostock:

Q. That would be for the Minister?—A. If any information is required for head office.

By the Chairman:

Q. That really means the Minister?—Q. Yes.

Q. If Mr. Robins was asking for information from the head of any department, would he be supposed to say that it was for the head office or the Minister?—A. Oh, no, not necessarily.

By Hon. Mr. Watson:

Q. It would be assumed that it was for the head office?—A. Assuredly.

Q. You would not expect the head of a branch to give information for any other purpose except for the Minister?—A. Undoubtedly not.

Q. But an officer might for his own purpose improperly get that information from the head of a branch if he wanted to use it that way?—A. That is an assumption.

Q. But there is no reason he could not?—A. I see no objection.

By the Chairman:

Q. You see no objection?—A. I mean by that that I see no reason why he should not get it.

By Hon. Mr. Watson:

Q. It certainly would be very objectionable.

By Hon. W. B. Ross:

Q. Do you know that Mr. Robins went to Edmonton in August?—A. No.

Q. Did you not know where he was going?—A. No. No record is kept of where our staff goes.

Q. I know?—A. Nor have I any personal knowledge of where he was.

By Hon. Mr. Blain:

Q. I suppose you have heard since then that he did go to the West?—A. Oh, yes, I have heard it.

By Hon. Mr. Watson:

Q. In the last few days, I suppose?

By Hon. Mr. Michener:

Q. If he was on his holidays, he would be on no mission from the Department, I suppose?—A. Oh, no.

By Hon. Mr. Willoughby:

Q. Can you give us any more definitely the time when he got back? His holidays were in August. When did they begin and when did they end?—A. No, I have no distinct recollection, because there is no record.

Q. What holidays would he get?—A. Usually they get three weeks, but they are lenient in a Minister's office, for the reason that they work so much in the evening, and have such long hours—they are more lenient than they would be I assume in the departments.

By Hon. Mr. Watson:

Q. Craig said that he left for the West on the morning of the second—early in the morning—and that Robins travelled to Edmonton on the same train with him. You have no reason to doubt that?—A. I don't know anything about it.

Q. You have no reason to doubt it?—A. Oh, no.

By the Chairman:

Q. Did Robins ever discuss with you this trip west?—A. No, not to my recollection.

By Hon. Mr. Watson:

Q. Did you ever hear it discussed by any officer of the Department, this matter that is under discussion?—A. Not until this investigation came up.

Q. You heard nothing in your office as secretary about Hoppe being a German and holding those lands?—A. No, not until this investigation.

Q. Consequently, if you did not, the Minister would not?—A. I could not say as to that, sir.

Q. There was no correspondence that came through your hands indicating that this man was a foreigner?—A. None.

Q. Do you know as to what the policy of your Department was in connection with leases, outside of the ordinary notice given, with regard to foreigners holding mining leases?—A. Leases of that kind would be cancelled.

Q. Would be cancelled?—A. Would be cancelled.

Q. On what evidence being produced?—A. That they were held by an alien enemy?—A. If they were held by alien enemies and they had not fulfilled their obligations.

Q. The obligations would not make any difference?—A. We do not cancel, as far as my knowledge goes, just because a man is an alien enemy.

Q. I thought you would.

By Hon. Mr. McLennan:

Q. Don't you turn the property over to the Custodian of alien enemy property?—A. I understand so, but I would prefer not to make a statement as to the policy. Mr. Rowatt would be able to give you better information than I could in that connection, and more satisfactory evidence.

By the Chairman:

Q. Do you know of any cases where leases were cancelled and taken over by the Custodian of alien enemy lands in your Department?—A. No, I could not make a definite statement as to that. My impression is that there have been cases submitted; but there is not a case fixed in my mind.

By Hon. Mr. Tanner:

Q. Who would have that information?—A. Mr. Rowatt.

By Hon. Mr. Tessier:

Q. Who was Custodian of the Canadian Government?—A. He would be in the Justice Department, I would think.

Q. You don't know if there is one appointed?—A. I understand there is.

By Hon. W. B. Ross:

Q. When did you first know that or did you fix the date?—A. I don't understand the question.

Q. You say you understand there is a Custodian of enemy property. When did you first know there was such a man?—A. Well, I have not said that I knew; I have—Departmentally it has not been a matter for my personal consideration at all.

Q. Do you mean to say now you don't know whether there is such an officer or not?—A. I said I understood there was.

Q. When did you first understand it? Did you understand so last year?—A. I hardly know how to answer that question. It is fixed in my mind without any general departmental knowledge to that effect.

By Hon. Mr. Watson:

Q. When did the fixing start?

By Hon. Mr. Tessier:

Q. Has any property of your Department been put into the hands of the Custodian at all? Was any property cancelled, and was it put in the hands of the Custodian?—A. To my personal knowledge—I cannot state from personal knowledge; that is really a matter for the Departmental officers to state to you. I want to be fair in my answers. Those are really questions for the departmental officers, not for myself, because they can give you a definite statement.

Hon. W. B. Ross: We would like to know how much you know about it, that is all.

By Hon. Mr. Watson:

Q. At what date did it come to your knowledge that there was an officer who received foreign property?—A. I don't know, nor have I said it has come to my knowledge, I have said I understood.

Q. What time did your understanding start? A year ago, two years ago?—A. I would expect it was shortly after the war broke out.

By the Chairman:

Q. That he was appointed you mean?—A. I assume so.

Q. Was not it a notorious fact published in all the papers of the country that this man was appointed?—A. I presume it was.

By Hon. Mr. Beique:

Q. Who is he? What is his name?—A. I am not sure, Senator.

By Hon. M. Bostock:

Q. You know Dr. Shillington, do you?—A. Oh, yes.

Q. Did he ever ask you anything about the question of this lease?—A. No.

Q. Had no conversation about it?—A. None whatever.

By Hon. W. B. Ross:

Q. Isn't Mr. Mulvey the officer that fills this office?—A. It is possibly under the Department of State.

Q. I am told that Mr. Mulvey is the man?—A. That is possible. It might have been the Department of Justice.

Q. The Under Secretary of State?

By Hon. Mr. Bostock:

Q. Did you ever have any complaint made to you about Robins not doing his duty properly, letting things leak out of the Department?—A. No.

By Hon. Mr. Watson:

Q. As Secretary to the Minister, did you ever know of a complaint being lodged with regard to people making application for leases who were notified some time afterwards that there was a previous application in and that they could not get them?—A. Let me understand you exactly.

Q. Application is made for leases and permits by people who, having filed application, expected of course to get them—were informed in the registration office that they were open for entry—and finally after a few weeks were notified that some one else had made previous application?—A. I have no case fixed in my mind.

Q. But that thing has occurred?—A. But there have been cases where the officer of the Department, that is the Mining Recorder, would make a mistake, and it would be brought to the attention of the Head Office.

Q. You think it was always a mistake when that occurred?—A. Well, I could not say as to that.

By Hon. Mr. Watson:

Q. I understand complaints have been made frequently in regard to people being disappointed in their applications—being notified from Head Office that some person has got in ahead of them?—A. There have been expressions of disappointment. They are on file.

By Hon. Mr. Bostock:

Q. You know Mr. Craig?—A. Yes.

Q. Were there any occasions when it was necessary for him to come to your office to see Mr. Robins or you?—A. Mr. Craig is an employee of the department; has been in my office on many occasions.

Q. Because you sent for him?—A. No, I don't recollect ever having sent for Mr. Craig.

Q. Why did he come then?—A. Sometimes about an increase in salary.

The CHAIRMAN: A very interesting subject.

By Hon. Mr. Watson:

Q. Is that the only occasion you remember?—A. Those are the occasions that are fixed in my mind at the moment.

Hon. Mr. WATSON: Fixed in his too.

By Hon. Mr. Bostock:

Q. You do not recall any case of his coming into the office to see Mr. Robins?—A. I do not know that he came purposely to see Mr. Robins. I have seen him in the office very frequently.

By Hon. Mr. Watson:

Q. With Mr. Robins?—A. With Mr. Robins.

By the Chairman:

Q. Was he under your branch? Was he under you in the department?—A. No, Mr. Craig was appointed as a war substitute. He took the place of one of the men who went overseas; was transferred from one branch to another, where his services were most required.

Q. But would you have the power of recommending him an increase in salary?—A. To the minister.

Q. The Minister would have the power?—A. Yes.

Q. Could he get that, Mr. Mitchell, without the recommendation of the head of his branch? Would the head of his branch have to recommend?—A. The policy is to ask for the recommendation of the head of a branch before we allow increases.

By Hon. Mr. Bostock:

Q. But you could arrange on exchange from one branch to the other?—A. If the heads of the branches are satisfied, that is very often arranged for.

By the Chairman:

Q. Is there anything else, gentlemen?

Hon. Mr. TESSIER: No.

By Hon. Mr. McLennan:

Q. Mr. Craig came to see you? You saw him in conversation, not infrequently? Was that what I understood your evidence was?—A. Not very often to see me.

By Hon. Mr. Watson:

Q. But you frequently saw him in the office?—A. I know Mr. Craig very well personally; I have known him for years; and my office is an office that is not locked up to keep people out. If anybody desires to see me at any time, whether they are members of the staff or not, they are always welcome.

By Hon. Mr. McLennan:

Q. That was not the question I asked?—A. Pardon me. Mr. Craig occasionally would drop into the office and chat with me for a few moments.

Q. I asked about Mr. Robins?—A. Oh, I beg your pardon.

By Hon. Mr. Watson:

Q. Robins and Craig were frequently together?—A. Well, I don't know that they were. It is not fixed in my mind particularly that he was calling there, say, every week, or anything of that kind. I would see him with Mr. Robins.

By the Chairman:

Q. Do you remember the time when Mr. Craig obtained leave of absence last July or August?—A. No, that is not fixed in my mind at all.

Q. You wouldn't know. Did Mr. Craig happen to intimate to you that he was going west at that time, at all?—A. No.

Q. You did not know that he was?—A. No.

The CHAIRMAN: Is that all? I think that will do, Mr. Mitchell.

TUESDAY, 1st July, 1919.

Mr. GEORGE HAROLD CRAIG was recalled and testified as follows:

By Hon. Mr. Michener:

Q. Mr. Craig, when you went to Edmonton on that occasion in the first part of August, 1918, what hotel did you stop at?—A. The Macdonald hotel.

Q. You went right to the Macdonald from the train?—A. Yes.

Q. Do you remember what floor you took a room on?—A. No, I don't.

Q. You don't remember the number of your room?—A. No, I don't remember the number.

Q. And after you came back from the property you stayed there again?—A. Again, yes.

Q. Do you remember how long you stayed the first occasion, when you first landed in Edmonton?—A. Well, I told you yesterday that I got in there about on the morning of the fifth and I left there on the ninth. I was there all that time. And when I came back I was, I think, two days, or something like that.

Q. Would it help your memory any if I were to ask you, on the fifth floor?—A. No, it would not help.

Q. Room 518? Would that sound familiar to you?—A. No. I was right near the elevator. I don't remember the number of the room, nor the floor.

Q. Did you register on the hotel register yourself, or did Robins register for you?—A. I think I registered myself. In fact, I am sure. I always do. I can write fairly well.

Q. Do you remember, I asked you yesterday, whether you had a separate room?—A. Yes.

Q. Apparently on the hotel register there is just one register, of one room, 518. You registered personally when you came back from the property, but when you first

landed there, there was just the one room signed for?—A. Well, I would not want two.

Q. No, but Mr. Robins and yourself—there is just the one room?—A. Mr. Robins did not stay in my room, nor I never saw Mr. Robins in my room in the Macdonald hotel.

Q. But I say in the hotel register there is just one register for the two—one room taken for the two?—A. Well, he never was in my room.

By Hon. Mr. Watson:

Q. Were you in his room?—A. No, I was not.

Hon. Mr. WATSON: He is the man registered.

By Hon. Mr. Michener:

Q. Could you give any information as to who sent the telegram to Mr. Norquay to meet you there? Was it you or Mr. Robins?—A. He did not meet me there.

Q. Well, did you or Mr. Robins send the telegram to Mr. Norquay?—A. No, I didn't send any telegram to him. I don't know of a telegram being sent.

Q. You have no knowledge of that?—A. I have no knowledge whatever.

Q. And you are quite sure on the point that you did not meet Mr. Norquay at the Macdonald hotel?—A. I am certain.

Q. The morning that you arrived?—A. Certain.

Hon. Mr. MICHENER: That is all, Mr. Chairman.

The CHAIRMAN: That will do.

Col. THOMPSON: I want to ask the witness a question, sir. You said in your previous evidence that you went out on the train with Mr. Robins, but that you did not discuss with him the question of these coal areas. I am right in that, am I not.

Mr. CRAIG: Yes.

Col. THOMPSON: But that you had some general conversation about coal mines. Just tell us what passed between you and Mr. Robins, as near as you can recollect.

Mr. CRAIG: He asked me where I was going and I told him I was going to the West. He said: "What part?" I said: "I am going to Edmonton." What are you going to do out there?" I said: "I am going up to investigate a coal property."

Col. THOMPSON: Yes.

Mr. CRAIG: He said: "Who are you going up for? Are you going into it yourself? I said: "No; I am not; I am going up for some other people." And some other conversation, I just don't remember; but I didn't understand that I could discuss it; that I was going for other people and any information I had was given to me to keep.

Col. THOMPSON: It was their business and not a topic for discussion?—

Mr. CRAIG: Not a topic for discussion, and not my business and it was up to them to publish.

Col. THOMPSON: You did not say anything about the Hoppe coal areas?

Mr. CRAIG: I never mentioned them.

Col. THOMPSON: Though you did tell him you were going west on a coal proposition?

Mr. CRAIG: On a coal proposition.

Col. THOMPSON: And when he pressed you a little further, you told him you were not at liberty to discuss it.

Mr. CRAIG: Yes.

The CHAIRMAN: Please do not put the words in his mouth.

Col. THOMPSON: I am just repeating what he said. That is all.

By Hon. Mr. Willoughby:

Q. Mr. Craig, what station did you get off at, that is, after you started out from Edmonton?—A. Entrance.

Q. You arrived there the night of the same day, I think you said?—A. Yes. We left sometime about nine in the morning and we got there in the evening, about seven o'clock or somewhere around that.

Q. When did you start out for the mines?—A. The next morning.

Q. At what hour?—A. I think about nine or ten o'clock. I think it was about nine or ten o'clock before we got started. We had a pretty good start. We hadn't much trouble.

Q. I suppose there is only one hotel?—A. At Entrance? No, there is no hotel at all. There is just a store and restaurant and storekeeper's house.

By the Chairman:

Q. That is near Jasper Park, is it?—A. It is what we used to call Park Gate.

By Hon. Mr. Willoughby:

Q. You tented that night?—A. No, I slept with some of the other fellows in a shack there, and some of them stayed in the shack with the packer, Monaghan, and I think a couple of the boys slept out on the ground.

Q. Is there a telegraph office at that station?—A. There used to be.

Q. Is there an agent?—A. No, I don't think there is an agent. I am sure there is not, because the men who work on the section live in the station. What delayed me in making connections to get out of there was that we could not get any information about Entrance at all. Anything that is passed out from there is done on the storekeeper's telephone. I was speaking to this man—

Q. It has telephone connection with Edmonton, has it?—A. It is a very poor connection.

Q. There is a connection?—A. Yes, but it was out of order and we could not get any satisfaction at all. I think anything that goes out from Entrance has to be telephoned to Brule Lake, and they have some better connection. You see, there are two lines of railway there, the Grand Trunk and the C.N.R. and the lines on one, I think, are in good order most of the time.

Q. Entrance is on the Grand Trunk Pacific?—A. I would not say whether it is on the Grand Trunk Pacific. You see, after you leave Edmonton you run, I think, over both roads—parts of both roads—and I could not say whether it is on the Grand Trunk or the C.N.R.

Q. How far is Brule lake from that station?—A. I think, ten or twelve miles.

Q. On the other line?—A. The lines run so close together that it could not very well be on one without being, I might say, on the other.

Q. Was the telephone you spoke about, Mr. Craig, was it working between Brule Lake and Entrance?—A. No. I tell you we had no occasion to use the telephone, but I think that the telephone is meant to be connected with all outside.

Q. What do you mean by "all outside"?—A. Well, with Edmonton and Jasper Park and all through there; but when we were there, the storekeeper, I remember hearing him say something about telephoning to Brule Lake.

Q. Then there is telephone connection between Brule Lake and Entrance? There is communication?—A. Yes.

Q. Although, you say, you did not use it?—A. We did not use it.

Q. Then again, between Brule Lake and Edmonton.

The CHAIRMAN: Anything else, gentlemen? Any other questions you want to ask the witness? That will do, Mr. Craig.

Mr. CRAIG: You won't need me again?

The CHAIRMAN: Not that I know of, Mr. Craig.

Mr. CRAIG: I have a lot of work to do at home and this is a holiday in the service.

The CHAIRMAN: You can go home now, anyway. If we need you we will call you again. I do not expect we shall, though.

Mr. CRAIG: All right, thank you.

TUESDAY, July 1, 1919.

Mr. H. H. Rowatt was recalled, and testified as follows:—

By Hon. Mr. McLennan:

Q. You heard what the secretary said about the custodian of alien enemy property?—A. Yes.

Q. Within the last few minutes.

Hon. Mr. BEIQUE: Who was he?

By Hon. Mr. McLennan:

Q. Had you in your department any communication with the custodian?—A. No. I think we had no official information that such an officer had been appointed. It was only a matter of rumour or newspaper report.

Q. You had no intimation from any one officially?—A. Not officially.

Q. That a custodian of enemy alien property had been appointed?—A. No such intimation.

Hon. Mr. MCLENNAN: Thank you.

By Hon. Mr. Bostock:

Q. You did not know his name?—A. I did not know his name, and as a matter of fact I do not know yet, unless it is Mr. Mulvey.

By the Chairman:

Q. If it had been expected to act under that, would you not naturally expect that you would have been officially notified that such an officer existed?—A. Undoubtedly, the deputy minister would have been notified, and he in turn would have notified the heads of all branches and given them definite instructions, and that was not done.

Q. It does seem that somebody has failed in his duty, in not notifying the departments that such an officer existed. That officer was appointed for the special purpose of taking over these lands. I suppose there was no department in the whole service, no department under Government control, that had as much at stake as the Interior Department, that is, including your branch—mining rights, timber and other things, supposed to be in the hands of Germans. And still we find that these officers had not been notified that such an office existed.

By Hon. Mr. Casgrain:

Q. What kind of instructions?—A. Well, as the order never was given, it would be impossible to know what the character of the instructions would be.

Q. You do not know what kind of instructions you would get?—A. I have no idea.

Q. You surmise that instructions would have been given?—A. I surmise.

Q. But you do not know what they would be?—A. No.

Hon. W. B. Ross: Why cannot we get Mr. Mulvey?

Mr. ROWATT: Mr. Chairman, would you allow me to make just a little statement?

The CHAIRMAN: Mr. Rowatt wishes to make a statement. I think it is only fair he should have the privilege.

Mr. ROWATT: I noticed when you were examining Mr. Genest yesterday you referred to the plans of the late Hoppe locations, and inquired whether it was possible for him to obtain plans. The plans of the Hoppe locations are as public as any other maps issued by the department.

Mr. CASGRAIN: Sure.

Mr. ROWATT: We have a map hanging on our wall, a published map given out freely to every one, showing absolutely the outlines of the Hoppe location.

Hon. Mr. CASGRAIN: All the locations—everybody's.

Mr. ROWATT: Everybody's. It is a lithographed map, free to everybody who asks for it.

The CHAIRMAN: So that I was quite right when I said it was likely they had a map showing exactly the locations of these claims?

Mr. ROWATT: Well, they had if they asked for it, and they could get it quite freely.

Hon. Mr. CASGRAIN: Anybody else could have it.

Hon. Mr. TESSIER: Because it is the policy of the Government to sell as many lots as they can, I suppose.

Hon. Mr. BEIQUE: It is not kept secret.

Hon. Mr. TESSIER: You like to see the country developed.

The CHAIRMAN: You can see the object of that question regarding this map. Everyone who knows anything about the country, which is in the foothills, knows it is a very mountainous country. We are told the hill was a thousand feet high where those claims were staked. It would be almost impossible for any man to take a party in there and do this staking over an unsurveyed country in the time these gentlemen claim to have done it. That is why we want to know whether they had all this data in their hands. I have done a good deal of that work myself, and I think it is a physical impossibility to have staked those lands in the time, and get proper staking done. Do you want to ask Mr. Rowatt anything else?

By Hon. Mr. Beique:

Q. You had nothing more to state?—A. No, I just wanted to clear up the statement that the maps were absolutely free to every one.

By Hon. Mr. Casgrain:

Q. So these people got no advantage over anybody else?—A. Not as far as maps are concerned.

By Hon. Mr. Tessier:

Q. You want to have the country developed?—A. Yes. It is for the information of subsequent prospectors.

The CHAIRMAN: That is quite proper that these maps should be available for anyone who wants them.

TUESDAY, July 1, 1919.

Mr. THOMAS MULVEY, K.C., appeared as a witness, and having been duly sworn, testified as follows:

By the Clerk of the Committee:

Q. You are Under Secretary of State?—A. Yes.

By Hon. Mr. Bostock:

Q. Are you the custodian of alien enemy property?—A. No; the Minister of Finance is the custodian.

By Hon. Mr. Beique:

Q. You have nothing to do with that?—A. Oh, yes, I have. There is the Enemy Debts Committee, which was appointed by Order in Council of 11th November, 1918, which really deals with all those matters. The Minister of Finance is the person really in whom the title is vested when property is turned over, but it is the Enemy Debts Committee that has the active dealings with all those matters, and I am on that committee.

By the Chairman:

Q. When was that committee appointed?—A. On the 11th November last.

Q. Only last November?—A. Yes, the committee was appointed, but the Orders in Council naming the custodian were passed on the second of May, 1916. These are the copies (handing printed copies) they indicate the dates and everything.

Q. Who constitute the committee?—A. The committee is composed of the Secretary of State, a representative of the State Department—I hold that position; a representative of the Department of Justice—Mr. C. C. Robinson, of Toronto, holds that; and a representative of the Finance Department—Mr. Forsythe, a clerk in that department.

Q. That is the committee?—A. That is the committee.

Hon. Mr. Beique:

Q. Of three?—A. Of three, yes.

Q. Section 23 says that the Minister of Finance and Receiver General is appointed to receive, hold, preserve and deal with property vested in him, and is referred to as "The Custodian"?—A. Yes. You will see by those orders of 1916 that everyone in Canada who manages or holds or deals with property in Canada for alien enemies is required to report to the Custodian.

Q. What section is that?—A. Section 26.

By the Chairman:

Q. Would that include the different departments of the Government?—A. I do not think it would include a department of the Government, because "person" is defined under section 1 (a) to "extend to and include persons and bodies of persons incorporate and unincorporated such as firms, clubs, companies, and municipal authorities, and, as well, trustees, executors and administrators." Immediately after the orders were passed a large number of circulars were sent out to bankers, solicitors, etc., drawing attention to the fact that those orders were in existence, and asking for returns. The return forms were prepared and sent out to every one who asked for them. After the Enemy Debts Committee was organized in November last they sent out, I think, over 25,000 circulars.

Q. Did you ever think it part of your duty to notify the department dealing in land and coal and timber, about alien enemies?—A. They had their own Orders

in Council on those subjects, prohibiting, as I understand—though I have not gone into them carefully—prohibiting concessions being given or any kind of lease to alien enemies.

Q. But if they had those concessions, and were going to confiscate them, how could they do it if they did not understand?—A. We are not confiscating German property at all, or alien enemy property at all, under any circumstances.

Q. What is the intention?—A. What we conceive our duty to be is to vest it in the Custodian. We have taken steps in many cases to do so.

By Hon. Mr. Tessier:

Q. You take charge of that property?—A. That is a very difficult question to answer. We have to deal with the property as the case happens. I can give you a number of instances if you wish. Take, for instance, the C.P.R. shares; we had vested 142,000 odd shares. Here a short time ago we had vested a half-interest in Franklin Walker's estate which amounts to perhaps a million and a half. Now, the National Trust Company are dealing with that; they have practically been appointed by the Custodian to act for him and administer it, that is, gather in the dividends and interest and whatever the case may be. Another case in Toronto is that we have had a German development company, and the court has appointed Mr. Clarkson controller and manager, and he stands in respect of that company practically as the Board of Directors. He has been realizing on some of the assets, and carrying on the business of some subsidiary companies. In other cases, for instance, in Montreal, there is a claim of about \$250,000 owing to a Vienna firm. We found they were speculating on the stock market with this money. We put a controller in possession of this business, and they are paying up as well as they can, and they have practically paid up now about \$200,000.

By Hon. Mr. Casgrain:

Q. Have you had anything to do with a coal mine named Hoppe, supposed to be German?—A. We have several coal mines.

Q. Have you charge of this particular one?—A. I don't know of this particular one.

Hon. Mr. WATSON: We know he has not had charge of it.

By Hon. Mr. Beique:

Q. It appears from the examination of the Deputy Minister of the Department of Interior that they were not made aware that there was a Custodian for enemy property; and what appears to me strange is that the different departments were not notified so that if a department cancelled any lease or other property which was held by an enemy they would then know that it should be vested with the Custodian; that is what should be cleared up?—A. All I can tell you about that is this, that these orders were published in the Gazette and it never appeared to me that it was necessary, on that account, to advise any other department particularly of it.

Q. You took for granted that they would take cognizance of it?—A. Published in the Gazette, yes. Not only that, but some of the departments, I don't know which they were, had orders in council on that particular subject. The Department of Trade and Commerce were dealing with alien enemy property, the same as we were; granting licenses for German papers of invention. Now, there is a good deal of German property in Canada that we have never thought fit to bother with.

Q. Where are the duties of the Committee mentioned in this?—A. They are not mentioned at all; they are mentioned in an Order in Council passed on the 11th of November last.

By Hon. Mr. McLennan:

Q. It is an earlier time that we are speaking of?—A. The duties of the Custodian and the Secretary of State Department are all set out in this; this is the one the Alien Enemies Committee is dealing under.

By the Chairman:

Q. Do you know of any timber, coal or other lands held under license from Provincial or Dominion Governments that have been taken over this way by the Custodian?—A. Yes. Take the Brazeau Collieries—the Brazeau Colliery is a subsidiary company—well, that is not the way to put it—it was promoted by the German Development Company, and it is held equally by that company and Mackenzie and Mann. They have 27,000 acres of coal lands about 100 miles west of Red Deer. A portion of those lands are held in fee simple, I understand, and a certain portion under license. Mr. Clarkson was appointed as Controller and Manager of the German Development Company; and the Custodian has three representatives on the Board of Directors of the Brazeau Colliery for the purpose of looking after the German interests. The German Development Company also promoted the Rocky Mountain colliery, which holds, I think it is in the thousands of acres in the Kananaskis Lakes on the border of British Columbia and Alberta. Mr. Clarkson is also dealing with this and they are all lands held under license.

Q. They have been taken over by the Custodian?—A. You see they are not vested in the Custodian, but they are in such condition that the Custodian can deal with them at any time. There is another case; the Vancouver and Nanaimo Coal Company. That was a company promoted by Alven von Albensleben. I think there was \$425,000 of German money in the concern out of a capital of \$500,000. We have had a controller of that company appointed. He is the manager of the concern but he acts under the supervision of the British members of the board of the company. It is available either to be sold or vested in the Custodian.

By Hon. Mr. Barnard:

Q. Are those all cases in which they are dealing with mines?—A. The Brazeau Colliery is operating a mine, and the Vancouver and Nanaimo Company are operating a mine also.

Q. The mines are or have been actually in operation?—A. Yes. The Rocky Mountain Collieries have not been carrying on business; they merely have coal claims.

By the Chairman:

Q. You have dealt with those just the same?—A. Yes. You see, those are the only coal properties of that kind that we know of.

By Hon. Mr. Barnard:

Q. The Rocky Mountain—are they leases?—A. They are leases, yes, because I know that the money was paid on behalf of the Germans since the war began, for royalties upon these properties.

Q. What is the object of taking them over? Is it in order to conserve the assets for the benefit of the owners, or for the purpose of seeing that none of the resources of this country get into the hands of the enemy while the war is on?—A. We hold this property to be dealt with as the Peace Treaty will provide.

By Hon. Mr. Beique:

Q. It might be confiscated to indemnify the Government?—A. It depends on the Peace Treaty. I think it may be fairly said that it will be held as a pledge for the payment by Germany of its obligations under the Peace Treaty. We hold property to the extent of about \$40,000,000 in this way.

By the Chairman:

Q. If you had known there was coal situated any place in Canada, say north of Edmonton where this is, held by a German, on which there had been \$200,000 or thereabouts expended, would you have felt that it was part of your duty—

Hon. Mr. BARNARD: \$100,000.

By the Chairman:

Q. I am including all they have spent; \$114,000 in rent, and nearly \$100,000 in work in prospecting?—A. We would have investigated the matter to see if it was worth taking over, because the Custodian cannot take over obligations. I may say the Custodian has taken over obligations—there was about \$250,000 worth of real estate in Prince Rupert, and we took it over, and immediately had to pay \$20,000 taxes. What we do in every case is to try to attack it as a business proposition. There are lands owned by Germans that we know of, but we did not think it worth while—

Q. But lands held under a lease?—A. I cannot answer you that question without investigating the facts. We took it over if we thought anything could be realized on it.

By Hon. Mr. Barnard:

Q. If they are American citizens?—A. We have no right to deal with their property at all. Here is another thing: casually speaking the term "alien enemy" is supposed to be a German, an Austrian and so on. That is not the definition given in these orders at all. An alien enemy may be a British subject. An enemy here is a person who resides and carries on business in territory at war with His Majesty. A man who is a German and residing in Canada does not come within that; a man who is a German and residing in the United States would not come within that. Only when the property is held by a person who resides and carries on business in a country at war with the Allies.

By Hon. Mr. Watson:

Q. Do you recollect that the Chief of the Dominion Police called your attention to the fact that Dr. Hoppe owned certain coal lands?—A. I do not, at the moment.

Q. We have evidence that the Chief of Dominion Police called the attention of the Interior Department?—A. I could not undertake to say whether we were notified or not. I can tell you this, though, that there was not a case reported to us that we did not investigate; and we spent thousands in making these investigations from one end of the country to the other.

Hon. Mr. TESSIER: All this does not apply to the case at all.

TUESDAY, 1st July, 1919.

PETER ADDISON ROBB, rancher and coal miner, of Edson, Alberta, appeared as a witness, and, having been duly sworn, testified as follows:—

The CHAIRMAN: I think it will be as well to tell you, Mr. Robb, that this committee has been appointed to investigate the cancellation and re-leasing of the Isenberg or Dr. Hoppe coal leases, which I presume you know of, north of where you live on the Smoky River?

The WITNESS: On the Muskeg.

By the Chairman:

Q. We understood that you could, perhaps, give some evidence on this question?—A. Yes. When that gentleman called me I understood him to say he wanted to see me in connection with my own coal mines. I am not interested in this other outfit at all.

By Hon. Mr. Michener:

Q. You have lived in that country a long time? About how long?—A. About fifteen years.

Q. You have done considerable prospecting and have been over that country fairly well?—A. Yes, I have done practically nothing but prospect since I went up to that country.

Q. Have you ever been up in this district referred to?—A. Where Dr. Hoppe has his lease?

Q. Yes?—A. Yes, I was up there in the winter of 1910, previous to the time Dr. Hoppe had it.

Q. Have you been up there since that time?—A. No, not all the way.

Q. Could you give us any information regarding any work Dr. Hoppe and his associates did up there in connection with roads or development work?—A. Do you want information from the time Dr. Hoppe took it over, or the previous people?

Q. Yes, the time he took it. Was this lease held by someone previous to Dr. Hoppe?—A. Yes. In the winter of 1910, or the fall, rather, I was west of Calgary and I got a wire from a surveyor in Edmonton asking if I would guide a party up to the head of the little Smoky—the Muskeg runs out there.

Hon. Mr. Béique:

Q. Speak a little louder, please?—A. All right, sir. This outfit left Edmonton in November with flat sleighs. The Grand Trunk had not got up to that district then. They went up about as far as Prairie Creek; that is about Entrance now, on the C.N.R. They went in as far as Entrance, and lost all their outfit. They had a hell—I mean a hard time.

By Hon. Mr. Blain:

Q. Were you with them?—A. I was with them, yes.

By Hon. Mr. Casgrain:

Q. Did you go to the junction of the Smoky and the Muskeg rivers?—A. Yes, I was up above that.

Q. Did you go there where the Muskeg falls into the Smoky, because that is the point we are interested in?—A. We surveyed all around that; we were not at that exact point.

Q. You were not?—A. Not in the winter of 1910.

By Hon. Mr. Beique:

Q. Well, the next?—A. The next item was Dr. Hoppe—I met him at the King Edward Hotel; he wanted to get a pack outfit—I had about seventy-five pack horses—this would probably be about five years ago—quite a while ago, anyway. He wanted to make arrangements for getting about twenty-five head of horses to take the supplies up there, and we couldn't agree about the price, and I referred him to some parties up around the Entrance, which he eventually got the horses from, and the outfit went in there. Later on, I think it was the following winter, he let a contract to Donald McDonald to cut a 90-mile trail in there—about a 75-mile trail roughly.

By Hon. Mr. Bostock:

Q. The winter of 1913?—A. I cannot tell you exactly the winter; I had no special interest in this matter, you understand. However, Donald McDonald cut a trail in there and took a lot of supplies and did a lot of work. Tom Monaghan and Montana Pete were also working on this same outfit. That is during the time Dr. Hoppe had it.

By the Chairman:

Q. He cut about 90 miles of road?—A. About 75.

By Hon. Mr. Michener:

Q. Put considerable expense on it?—A. Naturally that required considerable—a sleigh trail—to take a lot of the supplies in, because I was talking to Donald McDonald, who is a half-breed—he took the supplies in there and cached them.

By Hon. Mr. Watson:

Q. He must have done a lot of work to consume the supplies?—A. Why, I remember exactly—he told me he took \$10,000 worth of the supplies. Naturally men would take quite a while if they used it up—whether they used it up or not, I am not able to say.

By Hon. Mr. Beique:

Q. You were on the ground in 1910?—A. No, we were in that vicinity.

Q. Did you go since?—A. Not on that route.

Q. Did you go in the vicinity of that property since?—A. I don't quite understand.

By Hon. Mr. Michener:

Q. Have you seen that property since?—A. Yes, but I have not been in that way.

Q. But you have seen the property?—A. Yes.

Q. Did you ever see anything in respect of development that Dr. Hoppe did?—A. No, because it was before Dr. Hoppe was in there that I was in; it was about the summer of 1912. A Swede and I went up to Little Smoky.

Q. You have not been in there since the development was done?—A. No. I know the men that were working in there, and the supplies that went in on the trail.

Q. Do you know a man named Craig who went out there with one Robins to stake the property last August?

Q. He went with eight men?—A. I met a man trying to get an outfit from me—I don't know what his name was—round about the 1st of August.

Q. Can you fix that date in any way? Early in August was it?

By Hon. Mr. Casgrain:

Q. Where did you meet him?—A. In Edmonton, at the King Edward Hotel.

By Hon. Mr. Beique:

Q. Was he alone or in company with any one?—A. He was alone. I think Jack Calhoun introduced me to him, but I don't remember the name.

Hon. Mr. WATSON: Craig?

Hon. Mr. BEIQUE: Was he stout?—A. A young fellow.

By Hon. Mr. Willoughby:

Q. Would you recognize him if you saw him?—A. I would not be prepared to swear to him.

Q. Describe him?—A. He was a fairly broad-shouldered—I met this fellow, I think it was Calhoun introduced me to him and he was pretty well lit up.

By Hon. Mr. Watson:

Q. What does that mean?—A. This man started to talk to me about the country, and asked if I knew anything about it; I came to the conclusion that he was a tourist, so I told him I did; so finally he said he wanted to go away in up to the Smoky River country, and started inquiring about pack horses. I wasn't in a position to supply him; I had enough business of my own in connection with the mine, so I didn't say very much in relation to it, except I told him if he went up to Entrance he could get

Tom Monahan and Montana Pete—they had horses up there, and they would take him out—or Ben Olsen, a trapper. So I saw Monahan after, and he told me he had been out with this outfit, and they had waited at Entrance a long time—they were under pay. They were waiting for a wire or something.

By Hon. Mr. Barnard:

Q. Monahan told you that?—A. Yes.

By Hon. Mr. Casgrain:

Q. Did he tell you he took them there?—A. No.

Q. Did he tell you they did any work in there?—A. The way I got it was that they hadn't went out there at all.

By the Chairman:

Q. That they hadn't left Entrance?—A. Oh, yes, they had left Entrance.

Hon. Mr. McLENNAN: Would not it be better for the witness to tell us his story without any questions? Afterwards we can ask questions.

The WITNESS: That will suit me fine.

By Hon. Mr. McLennan:

Q. Now you are beginning in August at Entrance?—A. No, I wasn't there at Entrance. I met this man in the King Edward Hotel at Edmonton. I don't think he was stopping there, but I met him there, and as I say, Calhoun introduced him to me—that is the proprietor of the hotel—and he got talking about this proposition he had up there, and asked me about the country and one thing and another, and of course I wasn't long in discovering he was after some coal lands up there. He told me that—he got very confidential on account of the booze he had in him, I guess—and told me he had a pretty big proposition up there. I was familiar enough with the situation to know it was part of the Hoppe's claim on account of the lay of the land. He told me there was two Edmonton men with him on the property and a man down here in Ottawa.

By Hon. Hr. Tessier:

Q. Did he name him?—A. Yes, a senator.

The CHAIRMAN: Just let him tell his own story.

The WITNESS: Well, he told me the men in Edmonton who were with him in this proposition sending him and the pack outfit out because I was making my inquiries along that line, was Ramsay, who keeps a store, and a lawyer named Abbott.

By the Chairman:

Q. Go right ahead and tell your own story?—A. About all there is in addition to that—the supervisor at Entrance is more familiar with the details, and Monahan, as they were right there when he went out. Monahan also has some coal of his own alongside there, which he had staked recently. His leases had lapsed and he got a new outfit in to pay the lease.

By Hon. Mr. Michener:

Q. Did he take these men up that you met?—A. I don't know whether Monahan took them out or not; I wasn't interested enough in the thing to inquire.

Q. Did you go with them on the train to Entrance? Did you happen to be on the same train?—A. There was one on the train when I was going out—I was going to Wolfe Creek.

Q. Past Entrance?—A. No, this side of Entrance.

By Hon. Mr. White:

- Q. Do you know if this man you met was stopping at the King Edward Hotel?—
 A. No, I don't think he was.
 Q. You met him there?—A. Yes.

By Hon. Mr. Michener:

- Q. It is not quite clear what happened after they got to Entrance. You say they stayed there several days?—A. This is only rumour—I heard that they went out into the bush some place, and stopped a while, and didn't go in.

Q. But they didn't get to the property at all?—A. Yes. That is mere hearsay.

By Hon. Mr. Watson:

- Q. Did you get that information from the men who hired the pack horses?—A. No, a Swede told men, a trapper.

By Hon. Mr. Michener:

- Q. Did he say how far they got away from Entrance? Did he say how far he had got away from the railway?—A. He said back of Rock lake—Fish lake, rather. Then they went up to Rock lake cabin and stopped there four or five days.

Q. How far is that from Edmonton?—A. About thirty miles—Rock lake cabin.

By the Chairman:

- Q. Would it be on the road up to the other property?—Yes, right on the road.

By Hon. Mr. Michener:

- Q. The easiest part probably?—A. Yes.

By Hon. Mr. Bostock:

- Q. You did not give the name of that Swede, the name of the Swede who gave you the information?—A. Olsen.

Q. What was his first name?—A. Ben Olsen.

By Hon. Mr. Barnard:

- Q. You told us that you gathered from what this man said to you that he was after the Hoppe claim?—A. Yes.

- Q. Did you know then that they were open?—A. No, I did not. I understood that the lease was in good shape and everything.

By the Chairman:

- Q. Did you ever see or hear of a notice being posted in Edmonton that those claims were cancelled?—A. No, I never did. That is something I can tell you, because I am interested in coal mines. If there had been any notice like that I would have seen it.

By Hon. Mr. McLennan:

- Q. You would have known it?—A. Yes, I think so.
 Q. But you did not know?

By Hon. Mr. Barnard:

- Q. How would you have found out?—A. Well, it would be in the land office there. I got a coal mine of my own. We have about five thousand acres. It is not in the same vicinity, but naturally I am interested. I always keep my eye on anything like that. That particular month there, I was around there both July and August.

I was there pretty steady all the time. I was having some difficulties in connection with the Yellowhead Coal Company.

By Hon. Mr. Beique:

Q. You say all the time? You mean every day, or several times a week?—A. But that has nothing to do with this matter.

By Hon. W. B. Ross:

Q. You say that in July and August you were there very nearly all the time. What Senator Beique is asking you is, if you were about the Mines Office every day?—A. Not every day, but if a notice was put up it must remain thirty days, and I was in there sufficiently long to know there was no notice; I had never seen any notice in connection with it. You understand that in that country every prospector has his own area. He has to get out and locate his piece of coal land even though there is no claim. He does not go outside his own area. If he did, he would be regarded as a claim jumper. We do not make a habit—if there had been a notice there, we would not have taken advantage of it anyway.

Q. No, but you say that on account of your interest in coal, if there had been a notice there you would almost to a certainty have seen it?—A. Certainly, yes. But this guy told me he was waiting for a wire from Ottawa, see. He said he would get that before there would be any notice up there.

Q. You say he was waiting for a notice from Ottawa?—A. Notice of what? The cancellation of the Hoppe lease?—A. He did not tell me what he was waiting for; he said he was waiting for a wire before he could go out.

Q. He didn't tell you what the wire was to be about, but just the fact that he was waiting for a wire?—A. Not that gentleman, but I gathered later on from the men out around Entrance that the outfit had to wait until the claim was open.

Q. That is, the Hoppe claim?—A. Yes, before they could proceed.

By Hon. Mr. Michener:

Q. He did not say whom the wire was from?—A. No.

By Hon. Mr. Beique:

Q. At that time, Mr. Robb, the beginning of August, how long would it take them to go?—A. Up there?

Q. Yes, from Edmonton?—A. It would take one day from Edmonton to Entrance; then it would take them a day to get their layout together and from there down to the Muskeg they would make it in six days.

By Hon. Mr. Casgrain:

Q. Six days?—A. Yes.

Q. On a trail 75 miles?—A. Yes. That is good travelling. A pack outfit generally travels about 12 miles a day.

By Hon. W. B. Ross:

Q. That would be eight days to get out there from Edmonton?—A. Yes, providing—

Q. Providing everything worked right?—A. Providing they stopped at Entrance. They might have got right away from there, but if they stopped one day, which they generally would.

Hon. Mr. WATSON: Getting the pack outfit ready.

By Hon. W. B. Ross:

Q. It would take the same time coming back? That would make twelve days?—A. Well, no, you see—going out—

Q. They would go out heavy and come back light?—A. They would have a certain amount, yes. You generally always come back quicker than you go out.

By Hon. Mr. Michener:

Q. In your opinion, how long would it take to stake eighteen thousand odd acres in that country?

By Hon. W. B. Ross:

Q. Starting from Edmonton and getting back to Edmonton?—A. Starting from Edmonton?

Q. Taking all the time, going out, staking it out and then coming home?—A. When you go out there each claim, an average claim, is 2,560 acres. That may be a mile wide and four miles long. You put your number one post in here and you run a direct line at a right angle to the strike of the coal. For instance, the coal is dipping down this way. You run your line so that it takes in all the outcrop and body of the coal behind. In any event you would have to run a line two miles and probably four, depending how you laid your claim out. The majority of the claims are laid out four miles long by one mile wide. I know that in my own case, two of us, it generally used to take us a couple of days staking out a claim. There is a lot of brule in that country—fallen timber, one thing or another. You cut a line right through it, then put your posts in.

By Hon. Mr. Michener:

Q. That is two days for one thing?—A. Two days for the actual work on the claim.

The CHAIRMAN: On one of the claims. There are eight claims. How long would it take a party, do you think, to do that work?

By Hon. Mr. Barnard:

Q. Eight men?—A. Eight men? Well, there would be the cook, leaving seven.

Q. They had a packer?—A. Two packers.

Hon. Mr. WATSON: They claim to have had eight locators in the party. That is the evidence before us.

Mr. ROBB: The packers, to begin with, they would not cut any of the lines; nor the cook, nor this fellow from Ottawa, whoever he was. That would be four; that would leave four men.

By Hon. Mr. Barnard:

Q. No; there were eight stakers; nine including the man himself—nine locators. That is what the evidence is?—A. I see. I was going to ask you, the packers might have been the only other ones that staked.

Q. I think he said not.

The CHAIRMAN: The two packers were additional. They had the eight men and the two packers.

Hon. Mr. BARNARD: And himself.

Mr. ROBB: If they brought those men all from Edmonton the chances are they were not very familiar with bush work.

The CHAIRMAN: These are the names. Perhaps you know them.

By Hon. Mr. Watson:

Q. Do you know Mr. McClung, in Edmonton?—A. I know one McClung. I do not know whether it is that one or not. Nellie McClung's husband. I do not think he chopped very much.

By Hon. Mr. Michener:

Do you know the other men?—A. No, I don't know any of those.

The CHAIRMAN: We asked Mr. Robb to give us an idea how long it would take, in his opinion, that party to leave Edmonton, go out and stake the claims, and come back again—under ordinary circumstances.

Hon. Mr. CASGRAIN: Show him the map, what they did stake.

The CHAIRMAN: He knows the country better himself.

Hon. Mr. BEIQUE: But it is better to show him the map.

Mr. ROBB: Three weeks.

By Hon. Mr. Watson:

Q. How long?—A. Three weeks.

The CHAIRMAN: There are the claims, Mr. Robb. There is the way they are staked. You know the contour of the country and everything else about it.

Mr. ROBB: How about this one here?

The CHAIRMAN: That is the staking of all those claims?

Mr. ROBB: Where is the post? That is one post. Where are the posts on the other one? This is the claim here, is it not? There are 2,560 acres—four miles long by one mile wide. There is post No. 1 for that. And post No. 2, where is it? No. 2 has got to be down at this end. That is no way to stake it. It should be down here. You have got to put in No. 2 post and run a straight line, calling for so much on this side and so much on that line.

By the Chairman:

Q. If that were properly staked, how long would it take?—A. Three weeks, with that layout. But it is not properly staked, according to my own way of figuring. You see, there is a stake there. Another one should be here. Another one should be there. The same with this here. Another one should be there. The same with this here.

Q. Did you find the stakes there? You did not find the stakes?—A. That is not the way we ever staked. That is not staked the way we have always had to stake, anyway.

Q. It is not according to the regulations, you think?—A. No. For instance—

By Hon. Mr. Blain:

Q. In what way does it differ?—A. It differs in this respect. This claim here—there is a stake in here—

The Secretary of the COMMITTEE: That is the claim of Coppock.

Mr. ROBB: The line runs down here and it should show another, No. 2 stake, here, and state the difference between the two. They got the distance on here, 21,120 feet, but there is no stake there. This one here—

The Secretary of the COMMITTEE: Gouin's claim.

Mr. ROBBS. Apparently there is no stakes at all. This one here there is a stake on the eastern side of it—

The Secretary of the COMMITTEE: Gouin's claim.

Mr. ROBB: There is a stake here. That is post No. 1. It leaves the boundary of this claim here. Whose claim is that?

The Secretary of the COMMITTEE: Leask.

Mr. ROBB: It runs in a southerly direction, you see, to No. 2, but the area is all on one side of it. In staking your area, it has got to be on both sides of your line; you have got to run a line calling for so much—1,000 feet on one side and probably 4,280 on the other side, but you must have it on two sides.

By the Chairman:

Q. On both sides of the stake?—A. On both sides of the stake, yes. Now, this one here—

The Secretary of the COMMITTEE: Leask's claim.

Mr. ROBB: They apparently got the same thing with that. They have called for all their land on this side of the line.

By Hon. Mr. Watson:

Q. In your judgment it is not staked according to the Act?—A. I think not, absolutely.

By Hon. Mr. Casgrain:

Q. This was the base line on the west side of the Smoky river?—A. Yes.

Q. They have all the stakes on that base line, giving the distance on each side of those stakes, would not that locate it perfectly?—A. No, that is in unsurveyed territory.

Q. It would locate it?—A. It probably would, but not according to the regulations. The regulations say you must put in No. 1 post and run a line to No. 2, calling for the distance on each side.

The CHAIRMAN: I do not think that is important. What we are really trying to arrive at is this: these people go out and stake that land, and if they do that what would be a fair time to allow them for that?—A. If they were a bunch of greenhorns they might take quite a while.

The CHAIRMAN: He claims to be a professional staker.

By Hon. Mr. Michener:

Q. Your own opinion is that they did not reach the place at all, is it?—A. I would not like to make that statement. I say it was rumored that this party that went out last summer did not get out there.

Q. Who was it that told you?—A. Olsen.

By Hon. Mr. White:

Q. When did you have this conversation with Olsen?—A. It was late in the fall.

Q. Last year?—A. Yes.

Q. He lives there?—A. No, he was travelling there. He is away north of even these claims now. He traps where the claims are. They are up in the district where he traps.

By Hon. Mr. Casgrain:

Q. But they might have gone there without Olsen knowing it?—A. Quite probably.

By Hon. Mr. Michener:

Q. But the man who took them out did not give any information as to where they went?—A. No. It appears to me, gentlemen, there is men at Entrance that can give you all the information pertaining to these claims much better than I can.

The CHAIRMAN: We have not got them here, though. You just happened to be here and we are taking advantage of your presence to see if you can help us to arrive at the truth, that is all.

By Hon. Mr. Blain:

Q. Did you hear any rumors of irregularity in connection with this claim?—A. Yes, I did.

Q. In your district where you live?—A. In fact, it is quite prevalent all over the district.

Q. What is?—A. I mean the rumors about the irregularity of this proposition we are talking about.

Q. When did you hear them first, may I ask? About when?—A. Oh, it would be some time, I guess, in October it became common knowledge out in that country.

Q. What was the general nature of the rumor?—A. You know, a rumor is a hard thing to find.

Q. I appreciate that. You are expected to answer accordingly—generally, to the best of your knowledge, as to what you did hear?—A. Well, I was in Edmonton and a man stopped me one day and asked me: "Do you know anything about this big coal proposition up in the Smoky, of Ramsay's and Abbott's and Senator Pope's?" And I said: "No, not particularly." So he said: "Well," he said, "they have got a big bunch of coal up there." That was probably, mind you—that was after all these other transactions, see.

Q. Yes, and was it general talk?—A. It became general talk after that, yes.

By Hon. Mr. Watson:

Q. What about the irregularity you speak of?—A. They seemed to have the idea in the country that there had been something put over.

Q. Put over whom?—A. Well, in getting the coal lands.

Hon. Mr. McLENNAN: They had the inside track, was that it?

Hon. Mr. TESSIER: What do you mean by "put over?" Explain that.

Mr. ROBB: Well, that the rest of the people up in that district did not have a fair chance, or an even break, you see.

By Hon. Mr. Watson:

Q. Somebody was on the inside track?—A. Yes.

Q. The public did not have a chance to compete?

By the Chairman:

Q. That is what you mean, is it—that the public did not have a chance?—A. Yes.

Q. In view of the fact that you said you never saw the notice of cancellation up there, I suppose that would be one reason why the people would feel they did not get a fair show, would it?—A. I never looked at it in that way before, but that would be a very good reason; because everything is supposed to be thrown open when a proposition like that comes up, the same as lands for the soldiers' settlement and that sort of thing.

Q. If the notice had not been posted up, you or anybody else in Edmonton would not know that these lands were open?—A. Absolutely not.

Q. So you would have no chance at all?—A. The lands are cancelled here at Ottawa, at the head offices here. As it happens in the case of these leases, or anything, the cancellation is made from the head office. /

By Hon. Mr. Béique:

Q. If you had known that this lease had been cancelled would you have tried to secure it?—A. No.

Q. You had all that you desired?—A. No, I had nothing to do with that. I did not discover it. Tom Monaghan and that bunch was interested in it.

By the Chairman:

Q. If it was thrown open to the public, I suppose if you had needed coal you would have looked for that the same as anybody else, or would you consider you had no right to go there?—A. I would consider I had no right to go there. I did not prospect it in the first place. As I say, it was Monaghan and that bunch.

Q. They would have a sort of moral claim.

By Hon. Mr. Watson:

Q. Was it looked on as a valuable claim?—A. Yes, it was considered one of the most valuable coal claims in that country, a very high-grade bituminous coal; in fact, it is semi-anthracite. It runs between seventy and eighty fixed carbons.

By Hon Mr. Casgrain:

Q. Have you seen any of the coal?—A. Yes, I have seen samples of it.

By Hon. Mr. McLennan:

Q. A good looking coal?—A. Oh, yes.

Q. And stands well? It comes out big, and holds its condition, do you think?—A. Well, no; that would not necessarily be an indication of good coal. Lignite comes out in big chunks. It is the qualities for keeping, and the heating qualities. Now I should judge that the heating qualities of that coal would be over 14,000.

Q. Yes, some of it is, by analysis?—A. I have never seen the analysis of it.

Q. And some of it runs over eighty, which makes it almost anthracite?—A. Eighty in fixed carbon.

Q. In fixed carbon.—A. And very low in moisture.

Q. Very low in moisture.—A. Four per cent, I believe.

By the Chairman:

Q. Is there any other information we can get from this gentleman?

By Hon. Mr. McLennan:

Q. I would like to ask just one question, if this man Monaghan, who told you, as I understood it, that these men were waiting for a wire from Ottawa at Entrance—was it not?—Is he a credible man?—A. Yes.

Q. You would believe him?—A. Yes, absolutely.

By the Chairman:

Q. Waited there for several days, you say?—A. Yes.

By Hon. Mr. McLennan:

Q. His story was that in his opinion they never went out to the claim at all?—A. Not in Monaghan's.

Q. That was the trapper who was through that country more or less, was it?—A. Yes.

Q. He might have known that through trapping and knowing where they were?

The CHAIRMAN: The story was they had left this place and gone about thirty miles further in to the country.

By Hon. Mr. Watson:

Q. Is Olsen a reliable man?—A. Yes. I don't know where you would get hold of Olsen now. He has not been in since last Christmas.

By Hon. Mr. McLennan:

Q. That is, he is a man who goes out and stays out a long time.

By the Chairman:

Q. Monaghan would know all about it?—A. The Forest Supervisor would know more about it than Monaghan. He is stationed there, and knows the whole situation at Entrance.

Q. What is his name?—A. Badgley.

Q. The Forest Supervisor at Entrance?—A. Yes, that is the headquarters for the

Forestry outfit, and they patrol all that country, and his ranger would have to turn in reports as to where he met those people, and that sort of thing.

By Hon. Mr. Watson:

Q. Have you any idea of the amount of work that is done?—A. No. I know Dr. Hoppe wanted to hire a bunch of horses from me.

By Hon. Mr. McLennan:

Q. I think the testimony was to the effect that they put in five tunnels in seventeen feet, twelve and eight, something of that sort?—A. I can tell you something about that, about the cost.

By Hon. Mr. Beique:

Q. You said that you did not consider it would have been in your territory?—A. Exactly.

Q. In whose territory would it have been?—A. Well, you got me wrong there. What I meant was, you understand, that the men that went in there and prospected that proposition and got Dr. Hoppe interested in it, if he fell down we consider it belonged to them.

Q. Who are they?—A. Well, this man Monaghan; Donald MacDonald is one of them; the other is over at the war.

Q. Is MacDonald at Edmonton?—A. Donald MacDonald is in the army. He came back here some time ago.

Q. You don't know where he is?—A. He was residing in that country. He is a half-breed.

Q. Does he live out there?—A. Some place. He went overseas. He is a man over sixty, and he only got over to France.

Q. In August last he was away?—A. Yes, he was in the army then.

Q. And last fall was Monaghan there in Edmonton?—A. No; Monaghan himself is at Entrance.

Q. Who else, aside from yourself, would have had occasion to see the notice if it had been posted in the recorder's office?—A. At Edmonton?

Q. Yes; you stated that if a notice had been posted you would have seen it?—A. Yes.

Q. Who else would have seen it?—A. There is hundreds; I should say at least a hundred prospectors in that country, and Mining Companies.

By the Chairman:

Q. In and out of the office all day long?—A. Yes.

By Hon. Mr. Beique:

Q. Could you give us the names of half a dozen of them?—A. Cory Weatherby, Keith McKay, Bill Thompson, Montana Pete—there's lots of them; it is pretty hard to remember them.

Q. Were all those parties there in August last, all those parties that you have named?—A. Keith McKay was there in August; he was right there in the city. He was there in July and August both.

Q. And who else was there?—A. Cory Weatherby.

Q. Give us the names of four or five that were in the town, that might have seen those notices?—A. I am just trying to think. You know when you are not particularly interested in a thing it is pretty hard to recall.

By Hon. Mr. Bostock:

Q. But you would know the men who would be interested in watching those notices just the same as you would be?—A. Well, the men that would be interested in

watching the notices, that originally had the claims, were over in France—Donald MacDonald and those fellows—and they couldn't watch them. The men that took Dr. Hoppe there and located for him were practically all enlisted.

Q. Were there not other men up there in Edmonton in August who were interested in coal mining leases?—A. Yes.

Q. Whom you know, who might have been watching it?—A. There is Monaghan, was watching it, because he has a claim right near by—

By Hon. Mr. Beique:

Q. That was at Entrance?—A. He lives at Entrance. I am not saying he could not have been at Edmonton during that time. Entrance is eighty miles from where I was.

By Hon. Mr. Blain:

Q. Was he at the war?—A. No, he was too old.

By the Chairman:

Q. Did you ever hear any talk around about notices being posted?—A. No.

By Hon. Mr. Beique:

Q. Did you hear any talk to the contrary—that it had not been posted?—A. No, I never heard talk in regard to the notice not being posted.

By Hon. Mr. Michener:

Q. Do you know anything about what consideration Dr. Hoppe paid the original prospectors to get that location?—A. No, I couldn't tell you that, but I know that Donald MacDonald got a bunch of money out of it.

Q. Quite a good bunch of money?—A. Yes.

By Hon. Mr. Casgrain:

Q. What do you call a good bunch of money?—A. \$10,000 or \$15,000.

Q. That is a half-breed?—A. Yes, he is a very intelligent half-breed; he is descended from a Scotchman.

By Hon. Mr. Michener:

Q. Would there be others?—A. Yes, there were others interested. I believe that three Stewart boys were interested in the proposition too—Malcolm and Duncan and the other. I think it was \$40,000 he paid the whole bunch, as near as I can remember. That was the report around.

Q. The idea was that when Hoppe fell down the original prospectors had a moral right or a claim?—A. Yes.

Q. And that they should have had a fair chance to have profited by that?—A. Yes.

Q. Regarding the posting, you say that by the regulations they had to post these notices for thirty days, but just the moment they are posted anybody can go immediately and stake, and the first one that stakes and complies with the regulations gets the lease, ordinarily?—A. According to the coal mining regulations, if that lease is cancelled the first one who applies has a right to have it; but before it is cancelled it is the general practice to post notices that it is going to be cancelled, for thirty days. There is nothing in the regulations that I know of that states that a notice must be posted after a lease is cancelled, because anybody can go after a lease is cancelled, and get it.

Q. That is, it is customary to post for thirty days the intention of cancellation?—A. Yes, on a big proposition like that, where there has work been done on it. It is not like an ordinary proposal to go out there and find a piece of coal where nobody else has been working.

By Hon. Mr. Beique:

Q. You say the notice of cancellation, according to regulations, has to be posted for thirty days?

Hon. Mr. Ross: That is what he understands the regulation to be; he is not swearing to it.

By Hon. Mr. Beique:

Q. Does the notice invariably remain posted when it is posted, or is it removed by interested parties?

Hon. Mr. WATSON: Or covered up?

Hon. Mr. BEIQUE: Or covered up?

WITNESS: You mean in the land office, the recorder's office?

Hon. Mr. BEIQUE: I want to know what the practice is?

By Hon. Mr. Mitchener:

Q. It is supposed to be exposed for thirty days?—A. I can't say that I have ever seen any instance where the notice has been torn down. I have known of stakes being removed, and that sort of thing.

By the Chairman:

Q. You have never known of a notice being torn down?—A. No.

By Hon. Mr. Beique?

Q. Is it supposed to be the duty of the recorder to see that it is maintained?—A. No, I don't say that it is the duty of the recorder. If a man comes in here and tears the notice down he is committing a crime. I don't suppose the recorder would be responsible.

By Hon. Mr. Blain:

Q. Do you know the recorder?—A. Yes.

Q. What is his reputation as an official?—A. Mr. Norquay, A1; the man is absolutely honest.

By Hon. Mr. Mitchener:

Q. Do you know Mr. Robins, who was assistant secretary to the minister in the Department of Interior?—A. No.

Q. You never met him?—A. Not that I know of; no.

By Hon. Mr. McLennan:

Q. You said you could tell us roughly something about the cost of driving those tunnels, and so on?—A. Well, I put one tunnel in, in one of my claims, about eighty feet. You have got to take into consideration the difficulties of getting supplies of the stuff; it is not always handy; and it cost us about \$1,200 to put a small tunnel in, one they could bore all the way in, where you simply cross-cut the seams.

By the Chairman:

Q. Here was a tunnel in a seven-foot seam from wall to wall, a hundred feet back?—A. We pay at the present time for men for a similar tunnel to that \$19 a yard. That is merely the work; that doesn't include any stuff you get for it—steel or anything like that—and naturally to put a tunnel in there it might cost \$40 a yard, because you might have to use cars instead of wheelbarrows to get the stuff away.

Q. That would be the approximate cost?—A. It would cost in the neighbourhood of \$40 a yard.

THURSDAY, July 3, 1919.

Mr. SAMUEL J. ROBINS was recalled, and testified as follows:

By Hon. Mr. Bostock:

Q. You know Mr. Craig, of the Interior Department?—A. Yes.

Q. Did you leave Ottawa any time in July or August, 1918, to go to Edmonton?—
A. I think I did.

Q. Do you know the date?—A. I could not say the date.

Q. Would it be the last week in July?—A. I really could not say.

Q. Have you anything to refresh your memory?—A. I have absolutely nothing at all to refresh my memory. The only way I could find out would probably be from the Interior Department; they may have some record of when I was absent.

Q. But you were a secretary in the department; you did not come in the same position as an ordinary official? —A. No.

Q. So that you would not have to apply in the regular way for leave?—A. Oh, I applied for leave; I always applied for leave. I would apply through Mr. Mitchell, who would submit it to the minister, but there would be no departmental record as there would with the ordinary clerks.

Q. But you asked Mr. Mitchell for leave?—A. Yes.

Q. And he would not have any record?—A. I think not.

Q. You went with Mr. Craig on the same train?—A. Well, we happened to be on the same train.

Q. You travelled straight through to Edmonton with him?—A. No, not with him.

Q. But on the same train?—A. We happened to be on the same train, but we were not travelling together.

Q. You happened to be in the same sleeping car?—A. No, he was in the tourist and I went in first-class.

Q. That is, the standard sleeper?—A. Yes.

Q. You got to Edmonton on the same day?—A. Yes.

Q. And you stayed at the King Edward Hotel at Edmonton?—A. Macdonald Hotel.

Q. Did you have any conversation with Mr. Craig on the way up?—A. Oh, yes; I met him first of all, as far as my recollection serves me, I met him at North Bay on the platform the following morning after I left here; I was walking up and down the platform, and he came out and told me he had some little difficulty with the Military Police who were on the train, and they were asking him quite a number of questions; I presume they were watching for possible conscripts at that time. That was the first time I saw him, so far as my memory serves me.

Q. And you saw him from time to time?—A. I think I saw him again at Winnipeg.

Q. Did you not meet him on the train?—A. No, he could not come back.

Q. You could go down to the tourist?—A. Yes, but I did not feel disposed to do that.

Q. Then when you got to Edmonton, did you have any conversation with Mr. Craig about these leases?—A. None whatever.

Q. Or what business he was on?—A. No, none whatever.

Q. You did not know what business he was on?—A. No.

Q. Do you remember what room you occupied in the hotel at Edmonton?—A. I do not.

Q. What was the object of your visit to Edmonton on that occasion?—A. My object was to try and ascertain some information regarding a possible grazing area for my son, son-in-law and two nephews under the Soldier Settlement Act. My son and son-in-law and two nephews were all entitled, and I had made some inquiry from a

gentleman in Grand Prairie regarding a possible area, and I was anxious to find out if the area was open?

Q. Find that out in Edmonton?—A. That is the only place you could find that out.

Q. And you swear that you had no conversation with Mr. Craig about this?—A. Absolutely none.

Q. I presume they would have that information about those leases in the department here?—A. They would have it here, but it would be very late. The entry might be given at Edmonton, and take three or four weeks to come to Ottawa to be recorded here.

Q. Was that a case of cancellation, too?—A. No, sir.

Q. It was a new entry?—A. Yes, a large open area there that is very well adapted, I am told, for grazing purposes.

By Hon. Mr. Michener:

Q. How long were you in Edmonton on that occasion?—A. I think I arrived there in the morning and left the following night, or the evening of the next day.

Q. And you stayed at the Macdonald hotel?—A. At the Macdonald hotel.

Q. You had room 518 at the Macdonald Hotel, I believe?—A. I don't remember.

Q. Do you remember anything about the charge for the room?—A. I don't recall.

Q. Whether you were charged for one person or two?—A. I don't recall that. I would not be charged for two, that is dead certain.

Q. Not for two rooms, but for two occupying?—A. Not for two occupying.

Q. If the hotel gave information that you were charged for two occupying the room, and that you and Mr. Craig occupied the room, they would be mistaken, would they?—A. Absolutely. What did happen was, there were two rooms and the bath between them.

Q. Mr. Craig occupied?—A. One, and I occupied the other.

By the Chairman:

Q. They are like the Alexandra, two bedrooms and they have common bath?—A. The bath served both rooms.

By Hon. Mr. Michener:

Q. So that you could go from one into the other without going into the hall?—A. Yes, that is, if either had his door unbolted.

Q. And coming from Ottawa, having free access between the two rooms, you would naturally use them that way?—A. I don't remember having gone into Mr. Craig's room the whole time I was there.

Q. Do you remember Mr. Craig being in your room?—A. No, I don't remember Mr. Craig being in my room. When we got off the train, I think Mr. Blair, the member also got off the train, and immediately we got to the hotel and I registered, I lost track of Mr. Craig altogether, and did not see him for some considerable time, that is, for an hour or two, and I think he said that he had taken breakfast with Mr. Blair.

Q. So that if the hotel says that you occupied one room and you were charged for the occupancy of two, it would be explained by the fact that you had two adjoining rooms which opened between?—A. With the bath between.

Q. Did you meet Mr. Norquay, the Dominion Lands Agent, that morning at the Macdonald Hotel?—A. I met Mr. Norquay, but I don't recall whether it was in the morning or the afternoon.

Q. You don't remember whether it was soon after you arrived at the hotel?—A. No.

Q. Did Mr. Norquay come to your room that morning?—A. As far as I remember we went to Mr. Charles Roland's room; he was then commissioner of the Soldier Settlement Board.

Q. And Mr. Norquay was there?—A. Yes, he had an appointment with Mr. Roland.

Q. Did you wire Mr. Norquay to meet you there?—A. I wired Mr. Norquay so that I would be sure he would be there; I would have been very much disappointed to find he was out of town.

Q. Do you remember at that interview with Mr. Norquay and Mr. Roland that Mr. Craig was with you, too?—A. No.

Q. Do you remember seeing Mr. J. R. McIntosh, having an interview with him, while you were in Edmonton?—A. I don't remember the name.

Q. Did you have an interview with Mr. Percy Abbott?—A. Well, I saw Mr. Percy Abbott; I have known him for several years, and I think I went out to his home.

Q. Did you discuss at all with him the coal leases?—A. No, I did not discuss them. I told him that Craig was on his way out, but I didn't know definitely just what he was on. I said I had asked him what he was coming out for, and he told me that that was his business, or something to that effect, and he wouldn't tell anyone what; but I said, "I think he is going to see you."

By Hon. Mr. Watson:

Q. About what?—A. He did not say.

Q. About coal leases?—A. He did not say.

By Hon. Mr. Michener:

Q. You told him you thought Craig would be out to see him?—A. Yes.

Q. When you were out to his home?—A. Yes.

Q. You are pretty familiar with Percy Abbott?—A. Yes, have been for years.

Q. You know James Ramsay, a member of the Local Legislature there?—A. No.

Q. Mr. James Ramsay, who has the department store on First street in Edmonton, don't you remember meeting him?—A. I don't remember him at all.

Q. You don't remember meeting or interviewing Mr. James Ramsay at all?—A. None whatever.

Q. Do you know Mr. J. R. McIntosh in Edmonton?—A. No. That is, if I saw him, I may recall his features, but I don't know him by name.

Q. Did you join a party in the evening to go to a picture show with some of those men there?—A. I think Mr. Abbott, Mr. Craig and myself went to the vaudeville show.

Q. Was Mr. Roland with you on that occasion?—A. No, just the three of us.

Q. You and Mr. Craig and Mr. Abbott?—A. That was all, yes.

Q. And in your connection with Mr. Craig and Mr. Abbott, in your discussions, was this coal area brought under discussion at all?—A. Not at all, not once.

Q. Not mentioned at all?—A. Not mentioned at all.

Q. So that, as far as you are concerned, you had no interest in the coal area?—A. None whatever.

Q. Either directly or indirectly?—A. Neither directly or indirectly.

Q. And it is just a mere accident that you and Mr. Craig happened to go out together on the same train?—A. So far as I am concerned, it was a mere accident.

By Hon. Mr. Casgrain:

Q. Was that not a strange coincidence, that you should start on the same day and meet together?—A. Possibly.

By Hon. Mr. Bostock:

Q. I should like to draw your attention to some evidence that was given here the other day. Col. Thompson, who is representing Dr. Shillington, I understand, when Mr. Craig was in the box, asked the following questions:—

"Col. THOMPSON: I want to ask the witness a question, Sir. You said in your previous evidence that you went out on the train with Mr. Robins, but

that you did not discuss with him the question of these coal areas. I am right in that, am I not?

"Mr. CRAIG: Yes.

"Col. THOMPSON: But that you had some general conversation about coal mines. Just tell us what passed between you and Mr. Robins, as near as you can recollect?

"Mr. CRAIG: He asked me where I was going, and I told him I was going to the West. He said, 'What part?' and I said: 'I am going to Edmonton.' 'What are you going to do out there?' I said to him: 'I am going up to investigate a coal property.'

"Col. THOMPSON: Yes.

"Mr. CRAIG: He said: 'Who are you going up for? Are you going into it yourself?' I said: 'No, I am not; I am going up for some other people.' And some other conversation, I don't just remember, but I didn't understand that I could discuss it; that I was going for other people, and any information I had was given me to keep."

Evidently you talked about coal lands with Mr. Craig?—A. We talked about natural resources. Mr. Craig has been a prospector, I think, for twenty-five years, and he spoke of oil and gold and silver and copper deposits. I think he has been away up 150 miles beyond Fort McMurray, so that he knows the country very well, and in a general way; but so far as these leases and this area was concerned, I am perfectly satisfied there was no conversation.

Q. Although you had been so interested in this thing as far back as the 16th May, 1915, when you asked Mr. Rowatt for a memorandum on those coal leases?—A. That is very possible.

Q. Apparently, you met, and Mr. Craig and you had been both interested in the same thing, and you, apparently knowing that, would mention it to one another?—A. Well, I didn't know how long Mr. Craig was interested in it; I have no idea.

By Hon. Mr. McLennan:

Q. You did not know that Dr. Shillington was interested?—A. Only so far as he asked me that question to which I referred when I was before you at the last sitting.

Q. By the way, did you apply then for that grazing lease?—A. No, the matter dropped entirely.

By Hon. Mr. Bostock:

Q. Did you know that Mr. Craig was Dr. Shillington's half-brother?—A. Oh, yes.

THURSDAY, 3rd July, 1919.

Dr. ADAM T. SHILLINGTON was recalled and testified as follows:—

By Hon. Mr. Bostock:

Q. The first time you were here you made a statement that your knowledge of this cancellation came through Mr. Rowatt, of the department; since that time Mr. Rowatt has been in the box and has denied that you got that information from him; I think it is only fair that you should have the opportunity of explaining it?—A. What I said that day was correct. Of course, this was a matter of conversation; it was not a matter of answering questions. I would not say that the wording I used probably was correct, but what I stated was correct.

By Hon. Mr. Watson:

Q. Can you fix the date in July when you say you got that information?—A. No, I could not. It might be the end of June, I would not be sure—July or the end of June.

By Hon. Mr. Casgrain:

Q. Do you know where this conversation took place?—A. In Mr. Rowatt's office.

By Hon. Mr. Watson:

Q. Will you state definitely the character of the information you got from Mr. Rowatt?—A. No, it was just a conversation about this matter when I was discussing other things, and this was just a conversation.

Q. Surely it must have impressed itself upon your mind at the time?—A. Yes, anything I asked, I asked with the object of getting some information. In the first place, to start with, I didn't know I was asking for any information I shouldn't have; I thought this was a public department for the purpose of developing the resources of the country, and I thought I was entitled to information. I was not looking for information beyond what any persons had; I thought I was getting information I was entitled to get.

Q. It was a reflection on Rowatt?—A. I am very sorry if that is so.

Q. No doubt it is, because Mr. Rowatt says he would not give the information except to officials?—A. I did not know that. I did not know I was getting information that I was not entitled to get, and I am very sorry if I did do anything of that kind.

Q. Was it a friendly conversation?—A. I thought the department was for that purpose.

Q. Was that information given for friendship or any other consideration?—A. No; I thought I was getting it from a departmental officer that I was entitled to get the information from. I had no idea of getting any information from any other point of view.

Q. If Mr. Rowatt denies that he gave you information that he could not give properly, will you contradict him?—A. I have to say I drew the conclusions I drew from the conversation I had with Mr. Rowatt.

Q. You might repeat the conversation here, as to how it impressed you?—A. It is awfully hard to repeat what I said or what Mr. Rowatt said.

Q. It is not fair to contradict Mr. Rowatt unless you definitely contradict him in your evidence?—A. Well, I definitely say I gathered from the conversation that the leases were likely to be cancelled.

Q. That was in July or June?—A. The end of June or July, I couldn't say, and I didn't think I was getting any information I was not entitled to get.

Q. Had you information from any other official of the department with regard to those leases being liable to be cancelled?—A. No.

Q. From the previous witness?—A. Well, I had discussed the thing, as I told you before; I think that I had asked Major Robins some questions about them, I cannot recall. I remember one thing I asked him definitely, to get me the information whether the lands were surveyed or unsurveyed. I eventually went to Mr. Robin's office to get that information.

By the Chairman:

Q. When would that be?—A. That would be near the end of July. I eventually went to Mr. Robins' office to get the information.

By Hon. Mr. Watson:

Q. You mean, if the country was subdivided up there?—A. Yes.

By Hon. Mr. McLennan:

Q. Whether it was surveyed or unsurveyed?—A. Yes, because if they had been surveyed, I understood you could register them at Edmonton without going to the property, whereas if they were unsurveyed I understood I had to go to the property and re-stake them.

By Hon. Mr. Watson:

Q. Did you wire Mr. Craig any information, after you left Ottawa here, to Winnipeg?—A. No.

Q. You did not have any information from him till he came back?—A. I may have had a letter from him when he was in Edmonton. I had no information after he left Edmonton.

By Hon. Mr. Michener:

Q. Mr. Craig went to stake this property at your request?—A. Yes.

Q. You knew Mr. Robins was going?—A. I think I knew Mr. Robins was going; I can't recall that definitely. I knew he was there after. I knew, when he came back, that he was there.

Q. Did you know or did you expect that his going had anything to do with these coal areas?—A. No.

Q. You did not consider that it had anything to do with that?—A. No.

Q. One witness said that Mr. James Ramsay, of Edmonton, was in some way interested with you in connection with these leases; could you state as to that?—A. Never heard of him.

Col. THOMPSON: Which witness was that, Senator?

Hon. Mr. MICHENER: Mr. Robb. It was only a report; he said that he heard that Mr. Ramsay and Mr. Abbott were interested in that.

WITNESS: There is one thing I should be allowed to tell. I was in New York on the 6th of June, and I met in New York an acquaintance, a man whom Dr. Hoppe had been associated with.

Q. What was his name?—A. Eberle M. Davis. I had left Ottawa the day before. I had asked Col. Thompson if I could go away—this Railway Bill was before the committee at the time.

By Hon. Mr. Casgrain:

Q. This year?—A. On the 6th of June; and when I went into Mr. Davis' office in the afternoon, Mr. Davis says, "You are having some trouble with your Railway Bill in Ottawa?" This was the morning after the trouble happened, and I said, "Not that I know of. I left Ottawa yesterday at 3.10, and I had heard of no trouble." This man is an associate, or has been, of Dr. Hoppe's—a very fine fellow; I know him quite well. He said, "Well, I had a telephone message from a prominent man in Ottawa this morning asking me if I wanted that Bill killed?" So I saw Mr. Davis that day and I saw him again the following day, and he says: "Now, if you are having any trouble with that Bill in Ottawa, let me know, and I will call the thing off for you."

By the Chairman:

Q. He must be a very important gentleman?—A. Yes.

By Hon. Mr. Watson:

Q. He would call off the trouble?—A. Yes.

Q. Did he give you the name of the prominent gentleman?—A. No; but it was a strange thing that he had that information within a few hours after the trouble started in the Senate.

By the Chairman:

Q. What was his name?—A. Eberle M. Davis.

Q. Is he a lawyer there?—A. No, he is a business man. Strange thing—he knew before I did that I was not going to get this Railway Bill through the Senate—it was likely I was not to get it through.

By Hon. Mr. McLennan:

- Q. Could you give us his address?—A. Yes.
The CHAIRMAN: You might give it to us.

By Hon. Mr. Watson:

- Q. Could you get in touch with him and get the name of the individual who telephoned?—A. I don't know that he would give it to me.

Q. He is a particular friend of yours?—A. He is not a particular friend; he is a business acquaintance, that is all.

Q. If he was going to come up here and call off opposition in short order?—A. I might just tell you his words. I suggested that I would like to know who it was, and he didn't volunteer it.

By Hon. Mr. Tessier:

- Q. He also spoke of the cancellation of the lease, too, didn't he?—A. Yes.

By Hon. Mr. Casgrain:

Q. What did he say about cancelling the lease?—A. He said we were running the risk of losing our leases.

By Hon. Mr. Tessier:

- Q. Did he know much?—A. Yes, he knew a whole lot.

By the Chairman:

- Q. Give us his address?—A. Eberle M. Davis, 61 Broadway, New York.

By Hon. Mr. Watson:

Q. I think you ought to be able to get the name of the individual who telephoned to him?—A. Mr. Eberle Davis is purely a business acquaintance; he is not any very near friend of mine.

By the Chairman:

- Q. He did not give you the name of a senator?—A. He did not say he was a senator.

By Hon. Mr. McLennan:

Q. He did not disclose the source of the information?—A. He told me he got that information, and if I was having trouble to let him know and he would call the thing off.

By Hon. Mr. Michener:

- Q. He was a friend of Dr. Hoppe's?—A. Yes.

Q. Did he tell you he was in touch with Dr. Hoppe?—A. I think he told me he was.

Q. You brought a letter from the Old Country, which you presented to Mr. Barnard; would you tell us who that letter was from?—A. I could not. The one that I showed Mr. Barnard was from Col. Grant Morton, who is a business associate of Mr. Barnard's.

Col. THOMPSON: He is a member of the British House of Commons now.

WITNESS: The letter of introduction to Mr. Barnard was from Col. Grant Morton.

By Hon. Mr. Watson:

Q. Had you any communication with Mr. Davis in regard to these coal mines, in general, before you met him this last time?—A. Yes; this was not the first time I saw Mr. Davis.

Q. What was the object of your mission, of your visiting, this time? To sell the lands?—A. Mr. Davis had been writing to me to make him some proposition, which I had not done.

By Hon. Mr. Casgrain:

Q. He was one of the associates of Dr. Hoppe's?—A. Yes.

By Hon. Mr. McLennan:

Q. Was he one of the New York parties to whom you referred, with whom you might possibly make an arrangement?—A. He has made a proposition to Mr. Barnard.

By Hon. Mr. Watson:

Q. On what day did he make this proposition to you? Were you expecting to buy it from him, or sell it to him?—A. To sell to him.

Q. You say he represented Dr. Hoppe?—A. I said he was associated with Dr. Hoppe.

Q. Was he going to buy from you Dr. Hoppe's claims?—A. I don't know. He made a proposition to buy them; we never closed it or made any proposition to accept any proposition from him. He may only have been looking for information from me to see what was doing.

By the Chairman:

Q. About what date would that be?—A. Sixth of June I saw him last.

Q. 1918?—A. 1919; it may have been the 7th June. That was the time the first trouble started in connection with the Bill in the Senate.

By Hon. Mr. Casgrain:

Q. And it was this friend of Dr. Hoppe, Mr. Davis?—A. I should not say he is a friend.

Q. An associate of Dr. Hoppe?—A. Yes

Q. And it was he who could call off the opposition?—A. Yes.

By Hon. Mr. Watson:

Q. I would like to get the name from Davis of the man who telephoned about this business?—A. I will tell you another strange incident in connection with that. When I saw Mr. Davis that last day, Mr. Davis was to submit a proposition in writing in connection with this business the following day, to Mr. Barnard, in Montreal.

Col. THOMPSON: As to the building of the railway?

WITNESS: Yes, or the coal—as to the financing of both.

By the Chairman:

Q. He was to submit it?—A. Yes.

Q. He never did?—A. He never did.

By Hon. Mr. Michener:

Q. There have been different statements in regard to who was associated with you in this; I think I would suggest that it would clear the thing up in our minds somewhat if you would be frank enough to tell us who was associated with you in connection with it?—A. There was no one associated at the time except Mr. Barnard and myself. Since that I have been over to England, and I am getting some money since. I have got some big coal people coming out here in July.

Q. But in Edmonton there is no one associated or interested in it?—A. No.

Q. And nobody in Ottawa?—A. Nobody in Ottawa, no.

Q. And Mr. Robins has no interest in it?—A. Mr. Robins has no interest in it.

Q. Directly or indirectly?—A. Directly or indirectly.

By Hon. Mr. Watson:

Q. If Craig said that two prominent citizens of Edmonton were interested in this coal lease he would not be stating what was true?—A. He could not make the statement.

By Hon. Mr. McLennan:

Q. There is nothing else you would like to say that would throw any light on it? —A. I don't think so. I feel very bad at the way conditions have turned out, because I am thoroughly interested in trying to make a little money for myself and trying to develop the natural resources of Canada. I know now where there are five thousand or six thousand acres just as good land as I have, and I don't feel like going out for it now, because it may be taken away from me. I know two coal properties to-day that are better, as far as my information goes, than either of these claims. It is rather a tough proposition for a fellow that has put a lot of his own money in, and then they take it away from him for reasons for which he is not responsible.

Q. Is this New York gentleman of whom you spoke an American citizen?—A. Yes.

Q. Do you think he would be likely to come and give evidence?—A. I don't know, I am sure.

JAMES E. MCPHERSON appeared as a witness, and having been duly sworn, testified as follows:

By the Clerk of the Committee:

Q. What is your position? —A. District Superintendent of the Bell Telephone Company for Eastern Ontario.

By the Chairman:

Q. You were asked to come to this committee and bring any records that you have regarding telephone messages to this gentleman, Eberle M. Davis, during the month of June; have you any records of that?—A. All our long distance calls for the month of June were gone through last night and this morning by four clerks. There were over twenty thousand tickets. They did not find any long distance call to Mr. Davis. I turned up his name in the New York telephone directory. His telephone number is Bowling Green 7190. Evidently he has a private exchange there. The long distance call tickets are filed not by destination, but by the telephone number in Ottawa, and not grouped by places, so that unless you know what number the call is sent from, it is difficult.

Q. The address here is given as 61 Broadway, New York?—A. Yes; 61 Broadway is the street address.

Q. Then you have no record of any message to Mr. Davis from Ottawa during that month?—A. Not that we can find.

By Hon. Mr. Barnard:

Q. Have you any record of any message to anyone else at that number or address? —A. No, no message at all to that number from any place.

By Hon. Mr. Watson:

Q. It was suggested at the last meeting we had that the Bell Telephone Company kept some tab on the contents of long distance messages and would be able to identify them; is there any truth in that?—A. No.

Q. You have no knowledge of a message that passes over your long distance wires? —A. No. The record is for accounting purposes.

The CHAIRMAN: As it was Dr. Shillington who gave us this information, and has been really the cause of bringing this witness here, I would ask the doctor, through his counsel, if he has any questions to ask. I want to clear this matter up entirely if I can.

Dr. SHILLINGTON: I was in Mr. Davis' office, as I stated, and what I stated is what he told me.

The CHAIRMAN: Have you any questions to ask?

Dr. SHILLINGTON: I also have another man whom Mr. Davis told the same thing to, the same day or the day before—Mr. LePage, of Montreal, whom I tried very hard last night to get, but couldn't locate him. He was in the office the afternoon before I was, I think, and Mr. Davis told him exactly the same thing, but a good deal more.

Hon. Mr. WATSON: Could you not get Mr. Davis to give you the name of this man in Ottawa?—A. I tried the best I could, but I couldn't get the name.

Q. We want to find that fellow who had so much influence?—A. That is just what he said—what I told you yesterday.

The CHAIRMAN: Have you any questions to ask Mr. McPherson?

Dr. SHILLINGTON: I don't know what he said.

Col. THOMPSON: He has no record during the month of June for Mr. Davis—Eberle M. Davis.

Mr. WATSON: Perhaps you could identify it through the telephone, Bowling Green, 7190.

Dr. SHILLINGTON: I have Mr. Davis' telephone at home, but I haven't got it here.

Col. THOMPSON, (To witness): Q. Your record would only show the telephone number?—A. The telephone number both of sending and receiving—the telephone number and name.

Q. It would not give 61 Broadway, for example?—A. No; 61 Broadway was the information given to me by the Clerk of the Committee when he telephoned me.

Q. Your record would not show the street address?—A. No.

Q. It would simply show the telephone address?—A. The telephone address, yes.

Q. Do you happen to know of your own knowledge whether there are private telegraph wires from here to New York?—A. Oh, yes, there are brokers' wires.

Q. A number of them?—A. Yes.

Hon Mr. WATSON: It was a telephone, you said, Dr. Shillington?

Dr. SHILLINGTON: I said telephone. Mr. Davis said telephone.

Hon. Mr. McLENNAN: There are no private telephones?

WITNESS: Not to my knowledge.

Col. THOMPSON (to witness): Q. This committee has been told that there was a man of great importance—and he would have to be of great importance in order to influence the committee; suppose such a man had a private pass over the Bell Telephone, would the same record be kept?—A. There are no long distance passes that cover New York business, and the same record is kept. It is just like travelling by the railway either with a mileage ticket or an ordinary ticket.

By Hon. Mr. McLennan:

The slight difference in initials—E.M. and E.N.—would not throw the thing off?—A. As soon as Mr. Hinds telephoned me, I turned up the New York directory, and it was E. M. Davis and the Davis Chemical Corporation.

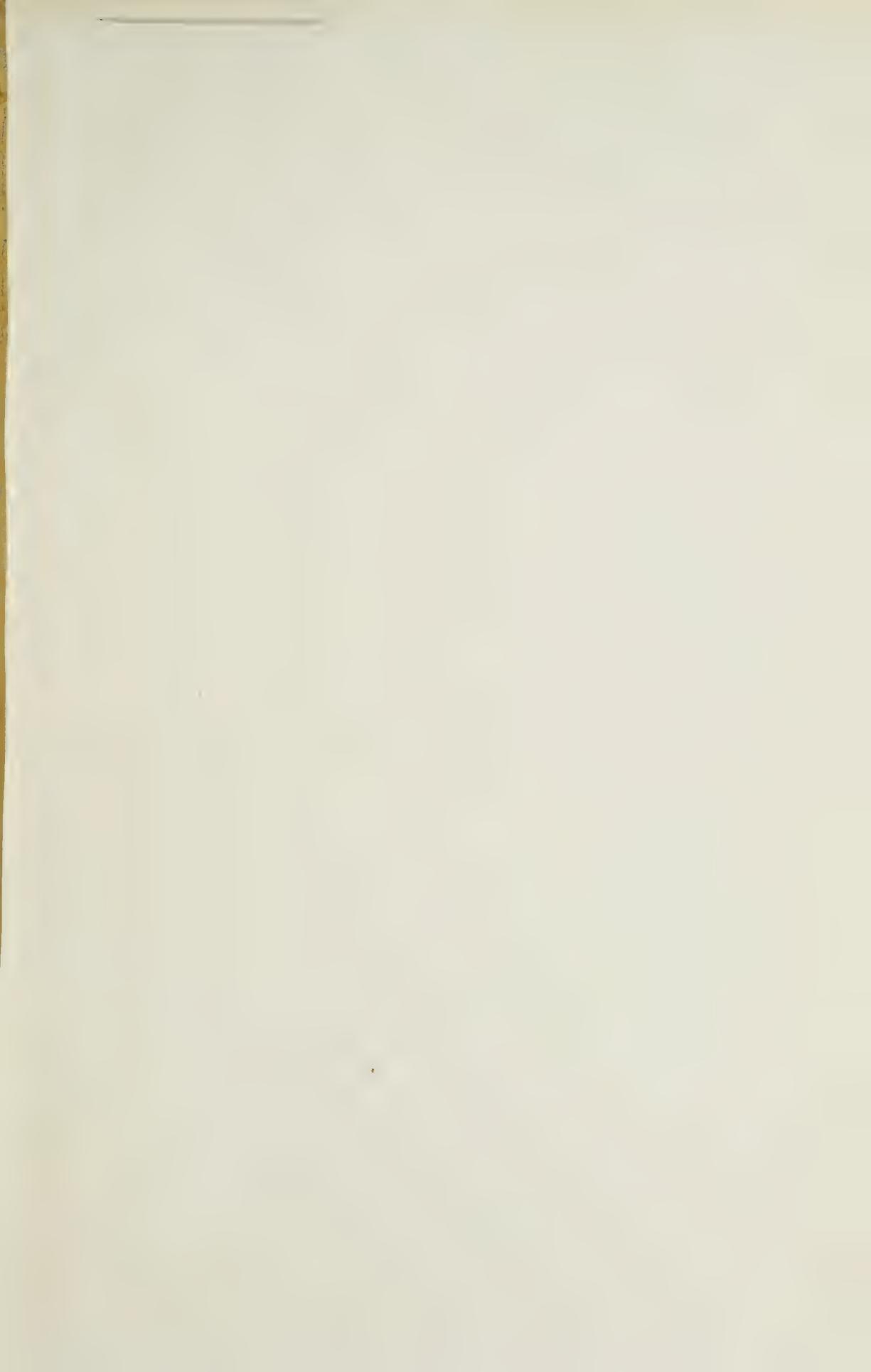
Dr. SHILLINGTON: Mr. Davis' telephone number is under the name of Eberle M. Davis, and the other telephone is the Davis Chemical Company.

By the Chairman:

Q. There could not be any mistake, because the subpoena gives the address properly—E. M. Davis?—A. That is what I looked for.

Col. THOMPSON: Did you find any message to any man named Davis in New York during the month of June?—A. I think not, but I could not say as to that.

Q. You were just looking for this particular man?—A. We were looking for that particular designation.





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